

Federal Court



Cour fédérale

Date: 20190222

Docket: T-896-18

Citation: 2019 FC 220

Toronto, Ontario, February 22, 2019

PRESENT: Mr. Justice Grammond

BETWEEN:

TRIANGLE TYRE CO., LTD.

Applicant

and

GESTION ANDRÉ TOUCHETTE INC.

Respondent

JUDGMENT AND REASONS

[1] The applicant, Triangle Tyre Co., Ltd. [Triangle Tyre] is appealing a decision by the Registrar of Trade-marks [the Registrar], who allowed Gestion André Touchette inc.'s [Gestion Touchette] opposition to its application for registration of the trademarks "Icelink" and "Snowlink." Gestion Touchette owns the registered trademark "TireLink." The main issue is whether there is confusion between Gestion Touchette's mark and those sought to be registered by Triangle Tyre. For the following reasons, I am of the view that there is no likelihood of

confusion and that the Registrar wrongly refused to register Triangle Tyre's marks. The appeal is therefore allowed.

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] Triangle Tyre is a large tire manufacturer based in China. It manufactures over twenty-two million tires a year, including winter tires branded "Icelink" and "Snowlink." It has been selling those tires in Canada since 2013 and 2014, respectively, and as of April 2018, has sold 840 Icelink tires and 6907 Snowlink tires.

[4] Gestion Touchette registered the trademark "TireLink" in 2009 and a design mark which shows two connected rings and the word "TireLink" in 2010. It has licensed those marks to Groupe Touchette Inc. [Groupe Touchette]. Groupe Touchette is a distributor of tires and other automotive parts. Its customers are automobile manufacturers and dealers. Its business works in this way: automobile manufacturers will designate specific tires as official "original equipment" for their car models. Groupe Touchette is then responsible to warehouse and distribute these tires to dealers. Groupe Touchette services more than one thousand dealers in Canada and its annual sales figures are around \$113 million.

[5] In 2012, Triangle Tyre filed applications for design marks for "Snowlink" and "Icelink," in both cases showing the word in outlined italics capital letters. The applications were

advertised for opposition purposes in April, 2015, and on June 29, 2015, Gestion Touchette filed its statement of opposition.

[6] Gestion Touchette's opposition was based on the following grounds and provisions of the *Trade-marks Act*, RSC 1985, c T-13 [the Act]: (a) the marks are not used by Triangle Tyre (s. 30(d)); (b) Triangle Tyre did not intend to use the marks (s. 30(e)); (c) Triangle Tyre knew or should have known about Gestion Touchette's mark (s. 30(i)); (d) Triangle Tyre's proposed marks created confusion with Gestion Touchette's mark (s. 12(1)(d)); (e) Triangle Tyre is not entitled to registration (s. 16(2)(a) and 16(3)(a)); (f) the proposed marks are not distinctive (s. 2).

II. Decision under appeal

[7] In two identical decisions dated February 2, 2018, a member of the Trade-marks Opposition Board, who exercises the powers of the Registrar, allowed Gestion Touchette's opposition and dismissed Triangle Tyre's applications. One decision relates to the "Snowlink" mark and the other, to the "Icelink" mark. For the sake of convenience, I will refer to these as a single decision, made by the Registrar.

[8] The Registrar first summarily dismissed the grounds of opposition based on sections 30(d), 30(e) and 30(i), as Gestion Touchette did not put forward any evidence to support questions of validity on these grounds.

[9] With respect to the key issue of confusion, the Registrar weighed the various factors listed in subsection 6(5) of the Act. She found that both parties' marks had an "equivalent and

somewhat weak inherent distinctiveness,” but that Gestion Touchette’s mark had become well-known and had been used before Triangle Tyre’s marks. She also found that the goods associated with the marks were the same, namely, tires. With respect to distinctiveness, the Registrar found that the most distinctive element of the marks is the word “link” in the second part of the mark. The Registrar also relied upon a search in the trademarks register, which revealed only one trademark comprising the word “link” in association with tires. Based on those factors, the Registrar concluded that there was a possibility of confusion. Accordingly, she allowed the opposition and declined to register Triangle Tyre’s marks.

III. Issues, new evidence, and standard of review

[10] Section 56 of the Act grants a right to appeal the Registrar’s decisions to this Court. Triangle Tyre appealed the Registrar’s decision. Although Gestion Touchette was served with Triangle Tyre’s application and affidavits, it did not file a notice of appearance nor otherwise participate in these proceedings.

[11] On such an appeal, subsection 56(5) of the Act allows the parties to file new evidence. Pursuant to this right, Triangle Tyre filed the affidavits of Messrs. Xiaobing Sun, Ronald Dolan and Dane Penney. Messrs. Sun and Dolan are executives of Canadian wholesale tire distributors. They provide information as to their sales of tires made by Triangle Tyre bearing the marks Snowlink and Icelink, respectively, for the years 2013-2018. They also relay information conveyed by Mr. Wang Xiaoyan, manager of the North American area for Triangle Tyre, as to the quantity of tires made by Triangle Tyre bearing the marks Snowlink and Icelink sold in Canada from 2013 to 2018. Mr. Penney’s affidavit provides the results of various searches for

trademarks and company names containing the word “link,” as well as a dictionary definition of “link.”

[12] 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 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)

[13] I am of the view that the affidavits introduce new and significant evidence with respect to certain specific questions, namely the use of Triangle Tyre’s trademarks in Canada and the variety of trademarks containing the word “link.”

[14] However, I am unable to accept the hearsay evidence provided by Messrs. Sun and Dolan with respect to sales of tires made by Triangle Tyre through other distributors. In this regard, according to rule 81 of the *Federal Courts Rules*, SOR/98-106, affidavits must contain facts that are within the deponent’s personal knowledge. Inadmissible hearsay cannot constitute new evidence for the purposes of section 56 of the Act.

[15] Likewise, evidence concerning the dictionary definition of the word “link” is not new evidence. The usual meaning of words is a matter of judicial notice: *Pfizer Co Ltd v Deputy*

Minister of National Revenue, [1977] 1 SCR 456 at 463. Filing the dictionary in evidence does not constitute new evidence that would have the effect of lowering the standard of review with respect to that question.

[16] In short, I will review the Registrar's decision on the reasonableness standard. However, when issues related to the use of the "Snowlink" and "Icelink" marks or the use of the word "link" in other trademarks are raised, I will assess the evidence myself without deferring to the Registrar.

IV. Analysis

[17] I will first analyze the issue of confusion, which is the crux of this dispute. I will then explain why I need not address the other grounds of opposition put forward by Gestion Touchette before the Registrar.

A. *Confusion between the parties' marks*

[18] 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. Subsection 12(1)(d) of the Act provides that a trademark cannot be registered if it is confusing with a previously registered trademark.

[19] 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 the appropriate point of view to adopt when considering the marks is not an individual conducting detailed analysis; instead, 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 *Clicquot* 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 Clicquot Ltée, 2006 SCC 23 at para 20, [2006] 1 SCR 824)

[20] 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 para 49). The other factors would be relevant only where the two marks at issue are sufficiently similar. I will therefore consider the factors listed in subsection 6(5), starting with resemblance.

[21] Two additional comments must be made at this juncture. First, confusion must be assessed by relying on the registered uses as opposed to the actual use of the marks in question (*Masterpiece* at paras 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 niche-market goods, “more care will naturally be taken” by the consumer (*Mattel Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 58, [2006] 1 SCR 772 [*Mattel*]). The same would be true of services.

(1) The degree of resemblance

[22] No new evidence was filed concerning this issue, which is the most determinative. The Registrar concluded that there is, at first blush, substantial similarity because of the structure of the trademarks and because the dominant element is the word “link.”

[23] It seems, however, that the Registrar made the kind of error contemplated by the Federal Court of Appeal in *Accessoires d’Autos Nordiques Inc v Canadian Tire Corp*, 2007 FCA 367 at para 23:

In considering the possibility of confusion, the trade-marks in question must be considered as a whole. This was stated in *British Drug Houses Ltd. v. Battle Pharmaceuticals*, [1944] Ex. C.R. 239, at p. 251, affirmed [1946] S.C.R. 50:

It is, I think, firmly established that, when trade marks consist of a combination of elements, it is not a proper approach to the determination of whether they are similar to break them up onto their elements, concentrate attention upon the elements that are different and conclude that, because there are differences in such elements, the marks as a whole are different. Trade Marks may be similar when looked at in their totality even if differences may appear in some of the elements when viewed separately. **It is the combination of the elements that constitutes the trade mark and gives distinctiveness to it, and it is the effect of the trade mark as a whole, rather than of any participate part in it, that must be considered** (the emphasis is ours) (*British Drug Houses*, p. 251).

[emphasis in original]

[24] The Registrar failed to appreciate that, despite the fact that the word “link” is a component of both parties’ marks, the different combinations of the words suggest different ideas. Thus, “Snowlink” and “Icelink,” when used to describe tires, bring to mind the idea of a link with, or adherence to, the driving surface in winter conditions. On the other hand, “TireLink” does not suggest any specific kind or characteristic of tires. The concept of “link,” in that context, may refer to a chain of distribution, an idea that is reinforced by the design mark showing two interlocking circles, suggesting a chain.

[25] In my view, the Registrar’s failure to follow the guidance of the Federal Court of Appeal and to appreciate the different ideas suggested by the parties’ marks render that part of the decision unreasonable. I find that there is a limited degree of resemblance between those marks, which is insufficient to support a finding of confusion.

(2) The distinctiveness of the marks

[26] 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 marks 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 mark has made it possible to associate it with a particular product. On this issue, the new evidence concerning the use of Triangle Tyre’s marks and the use of the word “link” in other trademarks is relevant, so I will carry out my own assessment.

[27] As to inherent distinctiveness, I share the Registrar's finding that both marks have a "somewhat weak" inherent distinctiveness. This conclusion is reinforced by the new evidence concerning the frequent use of the word "link" in trademarks related to the automobile industry.

[28] Both Gestion Touchette's and Triangle Tyre's marks have been used in Canada. The evidence before me suggests a much larger use of the "TireLink" mark. In this connection, Groupe Touchette has a network of distribution centres in several provinces. Its annual revenue exceeds \$100 million. In contrast, the admissible evidence shows that the sales of "Icelink" and "Snowlink" tires to Canadian distributors did not exceed a total \$170,000 for the years 2013-2017.

[29] Thus, the greater acquired distinctiveness of the "TireLink" mark would, to a certain extent, favour a finding of confusion.

(3) The period of use

[30] The length of time during which a mark is used is an additional factor that goes to distinctiveness (*Mattel* at para 77). On this subject, the Registrar noted that Gestion Touchette's evidence shows considerable use of the TireLink mark since 2009 or 2010. On the other hand, the Registrar noted that Triangle Tyre had provided no evidence of use of its marks in Canada. The Registrar therefore found that this factor favoured Gestion Touchette.

[31] As I mentioned earlier, Triangle Tyre brought new evidence with respect to the use of its marks. This evidence shows that the “Snowlink” and “Icelink” marks have been used in Canada since 2013. Even applying a correctness standard, this factor still favours Gestion Touchette.

(4) The nature of the wares and the nature of the trade

[32] With respect to these criteria, the Registrar compared the registered uses and found that the goods – tires – are identical. It also concluded that there is a degree of overlap between services provided by both parties and noted that Groupe Touchette could be required to distribute Triangle Tyre’s products, if a car manufacturer selected those tires as its “original equipment.”

[33] Even though no new evidence was adduced with respect to these criteria, I find that the Registrar’s conclusion was unreasonable. Registered uses must be interpreted in a holistic manner and “read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording” (*Mövenpick Holding AG v Exxon Mobil Corp*, 2013 FCA 6, at para 6).

[34] Triangle Tyre sought to register the “Icelink” and “Snowlink” marks with respect to “tires.” On its part, Gestion Touchette registered the “TireLink” word mark with respect to “Tires. Wholesale Distribution of tires and automobile parts,” and the “TireLink” design mark with respect to:

Distribution of tires, distribution of automobile parts, sale of road hazard insurance for tires; training service, namely training on the different tire marks on the market, sale of tires and the tire technical installation and replacement process; tire warehousing and logistics service, namely warehousing, mounting and sending

of tires and wheels for our customers; tire installation service on original rims, tire washing service, wheel balancing service, rim repair service.

[35] While, superficially, both parties' marks relate to the same goods – tires – this is only part of the story. What is obvious when reading the registered uses of Gestion Touchette's marks in their entirety is that they chiefly relate to an array of services related to tires, not to the tires themselves. The mere fact that the services associated with the "TireLink" mark relate to tires, which are the goods associated with the "Snowlink" and "Icelink" marks, is not a strong indicator of potential confusion.

[36] The nature of each party's business is also fundamentally different. Triangle Tyre is a manufacturer of tires. In contrast, Groupe Touchette does not manufacture tires, but rather offers services related to tires to car manufacturers and car dealers. Even if there is a superficial resemblance between both parties' marks, the contrast between the parties' different business models significantly reduces the likelihood of confusion.

(5) Summary

[37] We are now returning to the basic issue: Would a hurried consumer who only vaguely remembers the "TireLink" mark conclude that tires bearing the marks "Snowlink" or "Icelink" were made by the same company? In answering this question, we must not forget that Groupe Touchette's services are not aimed at ordinary consumers who want to buy tires for their cars. Rather, they are aimed at car manufacturers and car dealers who have much more knowledge about the market for tires and who will be less easily confused.

[38] Both parties' marks are not highly distinctive and they bear a limited degree of resemblance, although they differ in significant respects. While the "TireLink" mark may have acquired a higher distinctiveness in Canada than the "Icelink" and "Snowlink" marks, I conclude that the most relevant factor in this case is the fact that the "TireLink" mark relates mainly to services, while the "Icelink" and "Snowlink" marks relate to goods, and that the goods or services that these marks describe are different.

[39] All in all, I find that there is no likelihood of confusion between the parties' marks.

B. *Distinctiveness and Section 16 Grounds*

[40] Because the Registrar found that there was a likelihood of confusion between the parties' marks, she upheld Gestion Touchette's ground of opposition based on section 12(1)(d) of the Act. Having done so, she found it unnecessary to rule on other grounds raised by Gestion Touchette, namely that Triangle Tyre's marks were not distinctive (s. 2 of the Act) or that Triangle Tyre was not a person entitled to registration (s. 16 of the Act).

[41] The Registrar did not make any finding with respect to those grounds. Given that Gestion Touchette did not appear before me to press them, I need not address them. My finding that there is no likelihood of confusion is sufficient to dispose of the appeal.

[42] The appeal from the Registrar's decision is therefore allowed.

JUDGMENT in T-896-18

THIS COURT'S JUDGMENT is that:

1. The appeal is allowed;
2. The decision of the Registrar with respect to the “Snowlink” and “Icelink” trademarks is reversed;
3. The Registrar is directed to allow the “Snowlink” and “Icelink” applications;
4. No order is made as to costs.

“Sébastien Grammond”

Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET: T-896-18

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APPEARANCES:

R. Scott MacKendrick
Tamara Céline Winegust

FOR THE APPLICANT
TRIANGLE TYRE CO., LTD.

SOLICITORS OF RECORD:

Bereskin & Parr LLP
Barristers and Solicitors
Toronto, Ontario

FOR THE APPLICANT
TRIANGLE TYRE CO., LTD.