

Federal Court



Cour fédérale

**Date: 20190318**

**Docket: T-1674-17**

**Citation: 2019 FC 316**

**Ottawa, Ontario, March 18, 2019**

**PRESENT: The Honourable Mr. Justice Zinn**

**BETWEEN:**

**YETI COOLERS, LLC**

**Applicant**

**and**

**HOWSUE HOLDINGS INC.**

**Respondent**

**JUDGMENT AND REASONS**

**Introduction**

[1] This is an application to expunge Canadian trade-mark registration No. TMA866,631 [the 631 Registration] owned by the Respondent, HowSue Holdings Inc. [HowSue]. The 631 Registration is for the word mark “Tundra” [the HowSue Tundra Mark] for use in association with: “Housewares, namely, thermal drink containers, water bottles, lunch kits, lunch boxes and food storage containers.”

[2] The Applicant, Yeti Coolers LLC [Yeti], applied to register the mark TUNDRA [Yeti TUNDRA Mark] for use in association with “portable beverage and food containers.” An examiner in the Canadian Intellectual Property Office wrote on November 2, 2016, that the “mark which is the subject of this application is considered to be confusing with the registered trade-mark No. TMA866,631.” The rejection of its application led Yeti to seek expungement of the 631 Registration.

[3] HowSue is a holding company, incorporated in February 27, 2015. It is owned by Mr. Liss and his spouse. In addition to the HowSue Tundra Mark, HowSue owns two other Trade-mark Registrations for the word “Tundra”: TMA882,615 and TMA952,656 [the Other Tundra Trade-marks]. The details of the Other Tundra Trade-marks, as taken from Yeti’s memorandum, are attached as Appendix A. They have no direct relevance to this application, as they are not alleged to be confusing with the Yeti TUNDRA Mark.

[4] Mr. Liss is also the President and the sole director of Tundra Global Sourcing Inc. [TGS]. TGS was incorporated in 1983 under the name Mansacs Originals Inc. It changed its name in 2008 to TGS. TGS applied for the HowSue Tundra Mark and subsequently transferred its ownership to HowSue. For ease of reference, I shall refer throughout to the HowSue Tundra Mark and the evidence of use of it as being done by HowSue unless there is some relevance to specifying that it is TGS.

[5] In 1984, TGS filed a trade-mark application for the word mark Tundra in association with luggage and camping equipment. This mark was registered as TMA302,552. In 2000, TGS

assigned it to a company not under the ownership or control of Mr. Liss. Subsequently, it was transferred three more times before it was ultimately expunged for non-use in 2013. Contrary to the suggestion by Mr. Liss, the use of this trade-mark registration has no relevance to this application as it relates to different goods and was not owned by him at the relevant time.

[6] Yeti is an American corporation founded in 2006. It manufactures and sells coolers (also known as “ice chests”). Its advertisements suggest the coolers are durable and well-insulated and are primarily for outdoor pursuits such as hunting, fishing, and rafting.

[7] Yeti manufactures several “series” of coolers. The “TUNDRA” series [TUNDRA Coolers] is described as their “original” cooler, and is the focus of this application. It also manufactures the “ROADIE” series, which has a large handle and designed to be more portable, as well as the soft-shelled “HOPPER” series. Within each series, there are several sizes, designated by model numbers. For example, the TUNDRA Model 35 has a total volume of 35 quarts (and a capacity of about 29 quarts, or 27 litres), while the TUNDRA Model 350 has total volume of 350 quarts (and a capacity of around 328 quarts, or 310 litres).

[8] Yeti submits that the HowSue Tundra Mark should be expunged from the Register because: (1) pursuant to paragraph 18(1)(d) of the *Trade-marks Act*, RSC 1985, c T-13 [the *Act*], HowSue was not entitled to secure the Registration at the time of its application (October 29, 2009); and (2) pursuant to paragraph 18(1)(b) of the *Act*, the HowSue Tundra Mark was not distinctive of HowSue’s goods listed in the Registration at the time of the commencement of this Application (November 2, 2017).

[9] I propose to examine each allegation in turn and when doing so, will summarize the relevant evidence.

**A. Paragraph 18(1)(d) Analysis**

[10] Paragraph 18(1)(d) of the *Act* provides: “The registration of a trade-mark is invalid if [...] the applicant for registration was not the person entitled to secure the registration.”

[11] The HowSue Tundra Mark registration application was filed based on a proposed use of the mark with the associated goods. On October 18, 2013, TGS filed a Declaration of Use signed by Mr. Liss regarding the HowSue Tundra Mark. TGS stated:

Tundra Global Sourcing Inc. declares:

THAT since July 2013, the applicant, by itself and/or through a licensee, has commenced the use in Canada of the trade-mark claimed in the said application in association with [...] All the wares and /or services specified in the application.

Pursuant to subsection 40(2) of the *Act*, this led to the HowSue Tundra Mark becoming registered on December 4, 2013.

[12] Yeti submits that HowSue was not entitled to secure the Registration of the HowSue Tundra Mark at the time of its application (October 29, 2009) because on that date it was confusing with the Yeti TUNDRA Mark that had been previously used in Canada. In short, HowSue’s trade-mark application breached paragraph 16(3)(a) of the *Act*, which provides as follows:

(3) Any applicant who has filed an application in accordance with section 30 for registration of a proposed trade-mark that is registrable is entitled, subject to sections 38 and 40, to secure its registration in respect of the goods or services specified in the application, unless at the date of filing of the application it was confusing with

(a) a trade-mark that had been previously used in Canada or made known in Canada by any other person; [...]

[13] This submission raises two issues:

- 1) What was the date of first use in Canada of the Yeti TUNDRA Mark; and
- 2) Is the HowSue Tundra Mark confusing with the Yeti TUNDRA Mark?

(1) *Use of the Yeti TUNDRA Mark in Canada*

[14] In June 2008, Yeti shipped six TUNDRA Coolers to a Canadian distributor, Underwater Kinetics Products Canada Inc. [UK Canada].

[15] There is a disagreement on whether this transaction was a sale or whether Yeti was providing free samples. The issue arises because in Mr. Kubala's first affidavit, he said that these coolers were samples. Attached as exhibits to this affidavit are two invoices to UK Canada dated to June 3, 2008. Each itemizes a "Yeti Tundra" cooler in six different sizes. The first invoice references "P.O. No. 1550004" and is numbered 4620; it is marked paid 07/14/2008 [the 4620 Invoice], and the second invoice referencing "P.O. No. Tundra Samples" is numbered 4622; it is marked void [the 4622 Invoice].

[16] In his supplementary affidavit, Mr. Kubala explains that these were actual sales, and that the 4620 Invoice accurately showed what occurred. HowSue submits that Mr. Kubala should not be believed. It points out that Mr. Kubala could not explain under cross-examination why the 4622 Invoice was marked void. It says this is significant because the higher number 4622 Invoice was presumably created after the 4620 Invoice and therefore, it suggests, would better reflect what occurred.

[17] I am unable to accept that submission. It is equally likely that the second and later invoice was issued in error and that is why it is marked void. Ultimately, nothing hangs on this transaction as in July 2008 Yeti sold its first TUNDRA Cooler directly to a Canadian consumer through its American website, [www.yeticoolers.com](http://www.yeticoolers.com). It sold a second in August 2008. These two (or eight) coolers comprised the TUNDRA Cooler sales in Canada in 2008.

[18] Yeti bears the burden of establishing that it had used its Yeti TUNDRA Mark in Canada prior to the date of HowSue's trade-mark registration, i.e. prior to October 29, 2009. Regardless of a small number of sales in 2008, Yeti had significant sales prior to HowSue's trade-mark application.

[19] Mr. Kubala swears that in 2009, Yeti made sales of 355 TUNDRA Coolers to UK Canada, and he provided an invoice to evidence the sale. The invoice presented indicates that the sale was made on March 13, 2009 of 355 TUNDRA Coolers costing USD\$42,964.80. Therefore, prior to October 29, 2009, the date of registration of HowSue's proposed trade-mark, Yeti sold TUNDRA Coolers in Canada

[20] HowSue further submits that even if these sales were made, there is little to no evidence that the goods sold had the Yeti TUNDRA Mark on them. HowSue suggests that since these coolers are manufactured in the Philippines and shipped directly to Canada, there is no way of being certain that the stickers and tags were in place.

[21] Mr. Kubala swears otherwise in his first affidavit at paragraph 17:

All TUNDRA-branded products sold in Canada since 2008 (including all TUNDRA products referenced on invoices attached as Exhibits to my Affidavit) displayed the TUNDRA mark on the products and packaging similar to the product and packaging depicted in the photos attached as Exhibit “L”, in that they were sold in boxes which identified the coolers as TUNDRA-branded coolers and were either marked with stickers marked “TUNDRA” placed on the front of the TUNDRA-branded coolers or had the TUNDRA-branded hang tags affixed to the coolers.

[22] The photos in Exhibit “L” show the word TUNDRA, sometimes with YETI, and sometimes with a number, such as 45 – referencing the cooler’s size. I prefer Mr. Kubala’s sworn statement over HowSue’s speculative suggestion.

[23] Subsection 4(1) of the *Act* defines “use” for the purposes of the *Act*:

A trade-mark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

[24] HowSue submits that “both parties had significant sales in 2009” and the 2008 transactions submitted by Yeti does not establish use of the Yeti TUNDRA Mark. Its submission as set out in paragraph 49 of its memorandum is as follows:

[T]his evidence of one sample shipment in 2008 by the Applicant, even if paid for (of which there is no evidence), is still nothing more than token transactions involving only 6 units. The same can be said of the couple of online sales of 2 coolers in 2008. There is a long line of cases in Canadian jurisprudence that have rejected token sales as insufficient to constitute “use” for the purposes of section 4 of the *Trade-marks Act*.

[25] In support of that statement HowSue refers the Court to *Caricline Ventures Ltd v ZZTY Holdings Ltd*, 2001 FCT 1342 [*Caricline Ventures*], *Grants of St. James’s Ltd v Andres Wines Ltd* (1969) 58 CPR 28 (Reg TM), [*Grants of St. James’s*], and *Siscoe Vermiculite Mines Ltd v Munn & Steele Inc*, [1959] Ex CR 455 (Can) [*Siscoe Vermiculite*]. In my view, the facts in these cases are distinguishable from those here relating to sales of the Yeti TUNDRA goods.

[26] At paragraph 50 of *Caricline Ventures*, Justice O’Keefe provides examples of the jurisprudence on “use” briefly noting the evidence in each case. It includes a reference to the two other authorities relied upon by HowSue:

This Court’s jurisprudence, with respect to use, has established the following:

1. *SAFT - Societe des Accumulateurs Fixes Et. De Traction v. Charles Le Bargne Ltee* (1975) 22 C.P.R. (2d) 178 F.C.T.D. at page 182 - a single sale of 500 flashlights to a subsidiary company was not a distribution of wares.
2. *Golden Happiness Bakery v. Goldstone Bakery & Restaurant* (1994) 53 C.P.R. (3d) 195 at page 199 - an order of boxes with the trade-mark on the boxes was not use as there was no proof when, if ever, the boxes were used.



3. *Cornerstone Securities Canada Inc. v. Registrar of Trade-marks et al.* (1994) 58 C.P.R. (3d) 417 (F.C.T.D.) - the advertisement of a service without performance of the services is not use.

4. *Grants of St. James[ 's] Ltd. v. Andres Wines Ltd.* (1969) 58 C.P.R. 281 (Registrar of Trade-marks M. Robitaille) - two isolated shipments of wine to test market are not use.

5. *King Features Syndicate, Inc. et. al. v. Lechter* [1950] Ex. C.R. 297 at pages 306 - 307 - use is not established by giving away a few promotional samples.

6. *Siscoe Vermiculite Mintes Ltd. v. Munn & Steele Inc.* [1959] Ex. C.R. 455 at page 468 - to establish use there must be "such distribution of the wares bearing the mark and in such quantities as would serve to make the mark known by persons engaged in trading in such wares in Canada or their customers ...".

7. *Mr. Goodwrench Inc. v. General Motors Corp.* (1994) 55 C.P.R. (3d) 508 (F.C.T.D.) at page 513 - only "substantial and continuous use constitutes previous use".

[27] The "use" relied on in *Caricline Ventures* was similar to that in the seven cases it references. About the evidence, Justice O'Keefe writes at paragraph 51: "there is only the bald statement of prior sales – there are no sales figures and no invoices to show sales [...] he did not know how many items were sold [...] no sample of the items sold before April 4, 1995 with the word "FAR SIDE" on them were tendered as evidence [...] no records to show the value of sales of Farside merchandise prior to April 4, 1995 could be produced [...] and] there is no evidence that this merchandise [ bought from suppliers] was sold." Justice O'Keefe, not surprisingly, held "this is not sufficient to establish previous use of the trade-mark."

[28] The evidence here concerning the quantity of sales is unlike that found in the authorities cited by HowSue. Using the test stated in *Siscoe Vermiculite*, I find that the evidence proves, on the balance of probabilities, that there was "such distribution of the [Yeti] wares bearing the

mark and in such quantities as would serve to make the mark known by persons engaged in trading in such wares in Canada or their customers.” Yeti has proved on the balance of probabilities its use of the Yeti TUNDRA Mark in Canada associated with coolers, (a type of “portable beverage and food containers”) prior to October 29, 2009.

(2) Are the HowSue Tundra Mark and the Yeti TUNDRA Mark confusing?

[29] Confusion must be determined with reference to the likely purchasers of the goods, with reference to all of the surrounding circumstances, including those in subsection 6(5) of the *Act*. This is explained in *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, at paragraph 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 [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.

[30] There are five factors outlined in subsection 6(5) of the *Act* which are to be considered when determining whether trade-marks are confusing and will be analyzed in order:

- (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
- (b) the length of time the trade-marks or trade-names have been in use;
- (c) the nature of the goods, services or business;
- (d) the nature of the trade; and
- (e) the degree of resemblance between the trademarks or trade-names in appearance or sound or in

the ideas suggested by them.

These factors are not exhaustive and additional factors raised may also be considered: *Remo Imports Ltd v Jaguar Cars Ltd*, 2007 FCA 258 at para 52.

*Inherent Distinctiveness and Extent to which they have become known*

[31] HowSue submits that Yeti TUNDRA Mark is an ordinary word, and has low inherent distinctiveness. I agree.

[32] I turn then to consider whether the word “Tundra” has acquired distinctiveness with either party’s relevant goods. HowSue submits that at the time of its trade-mark application, both parties had at least some sales. However, it says that it had sold thousands of pieces to Loblaws and other retailers, while Yeti had only sold several hundred units to one retailer, UK Canada.

[33] I agree with Yeti that it is largely irrelevant that its sales prior to the registration date are not large. I also agree with Yeti that HowSue’s evidence of its sales is unsatisfactory. Its evidence on total sales includes the sale of non-relevant goods and sales by third-party manufacturers. HowSue has the Other Tundra Trade-marks that cover a wide range of disparate goods, and it is not clear what goods referenced in the HowSue Tundra Mark registration were actually sold.

[34] HowSue's evidence of its sales of goods in Canada in 2009 in particular is unsatisfactory. Mr. Liss in his supplementary affidavit swears that he has attached additional invoices for stainless steel food jars, water bottles, thermal bottles, mugs and the like, some of which were sold to Loblaws for sale in Canada, but were shipped directly from suppliers in China to the central Loblaws location in Canada for distribution. The only invoice that shows a "sale" by HowSue is dated May 20, 2009, and references a sale of 396 "TUNDRA BOTTLES WITH ME TO WE LOGO" sold to Vaughan Road Academy. The other two 2009 invoices are to a Chinese company for "commissions" to be paid to TGS for Tundra Food and Hydration Jars. Neither invoice shows that the goods were shipped to Canada, or that they were sold by HowSue. The most obvious inference from the fact that HowSue invoiced the Chinese company for commissions and did not invoice the purchaser for the sale of the goods is that HowSue was not the seller of the goods but acted as a sale representative of the Chinese company.

[35] HowSue submits, and I agree, that even if consumers are familiar with the phrase "YETI TUNDRA" in association with TUNDRA Coolers, this does not mean that "TUNDRA" alone has acquired a reputation: see *Dr Ing hcF Porsche AG v Procycle Inc*, [1992] TMOB No 406 [*Porsche*]. The distinctiveness of the Yeti TUNDRA Mark is diminished because it is not used in a manner that creates a strong association between the product and the mark. In the evidence, the word "TUNDRA" very rarely appears by itself.

[36] In the advertisements, it is generally described as a "YETI Tundra Cooler" although on the stickers and hang-tags it is identified as "TUNDRA [number]" and on the website, the term "Tundra Series" appears. In *Porsche*, the Member did note that because the Targa went by

several trade-marks, it might have lowered the acquired distinctiveness, and I agree there is some parallel here. Accordingly, I find that this fact lessens the acquired distinctiveness of the Yeti TUNDRA Mark.

[37] HowSue also submits that any distinctiveness of the Yeti TUNDRA Mark is diminished further because it is only on a sticker or a hang-tag. It submits, citing *BMW Canada Inc v Nissan Canada Inc*, 2007 FCA 255 [BMW], that this limited use is not sufficient to demonstrate evidence of an association. The use of the Yeti TUNDRA Mark on the goods is minimal, but this case is distinguishable from *BMW*. In that matter, the Federal Court of Appeal found that use of the BMW mark “M” was only on advertisements and promotional material and therefore:

Quite simply, in the absence of evidence indicating whether the advertisements or promotional materials were given to purchasers at the time of transfer of BMW's wares, there is no evidence to support a finding of use of the M and M6 marks as that term is defined in the Act.

This is not the case here. In this matter, there is evidence that the Yeti TUNDRA Mark was present in the form of either stickers (in 2009) or hang-tags (in 2017) at the time of the transfer. There were also boxes containing the goods on which was the Yeti TUNDRA Mark.

[38] Lastly, HowSue cites *Hudson's Bay Co v Baylor University*, [2000] FCJ No 984, 8 CPR (4th) 64 (FCA) [*Hudson's Bay*], a case where the Federal Court of Appeal commented that the trial judge, in the analysis of confusion, overlooked the fact that Baylor University's marks were prominently on clothing, while the Hudson Bay Company had its marks only on labels and tags. While I agree with HowSue that the Yeti TUNDRA Mark on the coolers are not large and could be removed, the situation is quite different from that in *Hudson's Bay*. In that case, the fact that

the Hudson Bay Company's mark was only on tags was significant because it was being compared to "collegiate clothing" which prominently displays a University designation:

In this respect, it is worth repeating that the Hudson's Bay Company does not display its marks prominently in a way that could be confused with the marks of U.S. colleges and universities.

[39] Weighing the above, I find that as of the date of the HowSue trade-mark application, the Yeti TUNDRA Mark had acquired some distinctiveness in association with its coolers. This factor therefore, favours a finding of confusion.

*Length of Time the Marks Have Been in Use*

[40] This factor favours a finding of confusion. The evidence shows that Yeti has made use of the Yeti TUNDRA Mark since June 2008, while two of HowSue's 2009 invoices only show that its predecessor charged a commission by arranging for the manufacturer to sell goods: it did not actually sell them. The third invoice shows a sale of 396 bottles to a school describing them as "TUNDRA BOTTLES WITH ME TO WE LOGO" and there is no evidence that they actually had the HowSue Tundra Mark on them.

*Differences in the Nature of the Goods*

[41] Yeti submits that the nature of the goods is very similar. It points out that in the International Classification System both were classified by the Canadian Intellectual Property Office as Class 21. Both party's goods provide insulation and a place to store food and beverages.

[42] HowSue submits that the goods are different. It says that Yeti sells high-end coolers for camping costing hundreds of dollars, while HowSue sells small and portable housewares such as plastic drinking bottles, lunch jars, and teapots and Yeti does not sell these items in association with the Yeti TUNDRA Mark.

[43] I agree with Yeti that HowSue's registration is relevant because it gives it a broad ambit of protection. In *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 [*Masterpiece*], the Supreme Court of Canada makes it clear that looking only at actual use is problematic, because the issue is what the registration authorizes, not what a party is currently doing with it. The granted registration is for "housewares, namely, thermal drink containers, drink containers, water bottles, lunch kits, lunch boxes and food storage containers." What YETI makes is certainly a food storage container, albeit a large one. Thus, the nature of the goods is somewhat similar. Accordingly, I find that this factor slightly favours a finding of confusion.

#### *Differences in the Nature of the Trade*

[44] HowSue submits that the differences in trade are significant. It sells in supermarkets and discount retailers while Yeti sells through outdoor retailers: see *Mattel USA v 3894207 Canada Inc*, 2006 SCC 22 [*Mattel*].

[45] Yeti says that it is not necessary to establish that the goods were sold in the same store; rather, what matters is whether they could be sold in the same place: see *Cartier Inc v Cartier Optical Ltd*, (1988), 17 FTR 106, 20 CPR (3d) 68 (FCTD). It points out that while presently both parties might sell in different stores, they do sell at the same level of trade: *Distribution*

*Prosol PS Ltd v Custom Building Products Ltd.*, 2015 FC 1170 [*Distribution Prosol*].

Importantly, Yeti observes that it is possible for one of the stores which sells its coolers to also sell the goods with the HowSue Tundra Mark.

[46] As explained in *Distribution Prosol*, one must look at where the goods could be sold, rather than where they are:

In assessing the nature of the trade, the proper emphasis is on the parties' entitlement to sell the products through a given channel rather than whether they in fact do so (*Masterpiece* at para 59; *Pink Panther* at para 32). That said, Courts should look at the party's actual trade as a basis for determining the likelihood of the parties ever overlapping (*Alticor Inc. v. Nutravite Pharmaceuticals Inc.*, 2005 FCA 269(F.C.A.) at para. 37; *Tradition Fine Foods Ltd. v. Oshawa Group Ltd.*, 2005 FCA 342 (F.C.A.) at para 11).

[47] In this matter, the two are operating on the same level of trade, and they could sell products through the same channel. It does appear from the record that Yeti's retailers are "specialty" retailers for camping and outdoors enthusiasts, while HowSue's goods retail in "Big box stores." However, it is not clear to me that a store that stocks and sells the Yeti TUNDRA Cooler might not also stock HowSue's products, as insulated food jars and food containers are also useful for camping and outdoors use. As such, this factor slightly favours Yeti's claim of confusion.

#### *Degree of Resemblance*

[48] This factor favours Yeti's claim of confusion. The mark is a word-mark and both parties use the identical word.



*Other Surrounding Circumstances*

[49] HowSue submits that it is relevant that Yeti uses the word “TUNDRA” in association with the word “YETI” and thus only YETI has distinctiveness. I agree with Yeti that this submission must fail. As explained above, I have already considered that the use of Yeti and TUNDRA together lessens the distinctiveness that the Yeti TUNDRA Mark has acquired. However, it does not follow that the Yeti TUNDRA Mark cannot also have distinctiveness of its own. This Court in *Groupe Procycle Inc v Chrysler Group LLC*, 2010 FC 918, observed that the *Act* makes no distinction between primary and secondary marks. Each mark can acquire distinctiveness and have goodwill attached to it.

[50] HowSue has also submitted that the higher price of the Yeti TUNDRA Cooler is relevant because it would cause the casual consumer to pay more attention: see *Mattel*. Yeti has submitted that while price may be a factor, the test remains one of first impression and producers and consumers of expensive goods should not lose the benefit of trademark protection: see *Masterpiece*. I agree with Yeti. As explained in *Masterpiece*:

It is confusion when they encounter the trade-marks that is relevant. Careful research which may later remedy confusion does not mean that no confusion ever existed or that it will not continue to exist in the minds of consumers who did not carry out that research.

In any case, I note that although the Yeti TUNDRA Cooler has a higher price point, HowSue’s products do not. The casual consumer looking at HowSue’s thermal food jars might not pay considerable attention and confuse it with Yeti TUNDRA Coolers. Accordingly, I give this factor minimal weight.

*Conclusion*

[51] Based on the above analysis of the subsection 6(5) factors, I find that at the date of HowSue's registration application, October 29, 2009, the HowSue Tundra Mark was confusing with the Yeti TUNDRA Mark. Therefore, HowSue was not entitled to secure the registration it did.

[52] Given my findings concerning confusion at the date of registration, it is not necessary to consider Yeti's argument that the mark was not distinctive at the commencement of the Application. Nonetheless, I will make these observations regarding Paragraph 18(1)(b).

**B. Paragraph 18(1)(b) Analysis**

[53] Yeti says that pursuant to paragraph 18(1)(b) of the *Act*, the HowSue Tundra Mark was not distinctive of HowSue's goods listed in the registration at the time of the commencement of this Application (November 2, 2017) because at that time it was confusing with the senior Yeti TUNDRA Mark.

[54] In addition to the preceding analysis regarding the confusion of these two marks at the date of the application for registration, Yeti provided additional evidence of sales after that date.

[55] Yeti continued making sales to UK Canada in 2010 (561 units), 2011 (561 units), and 2012 (660 units). Commencing in 2013, Yeti made sales to UK Canada and other purchasers as follows: 2013 (606 units), 2014 (1004 units), 2015 (141 units), and 2016 (392 units).

[56] In the first ten months of the year 2017, Yeti sold 2374 TUNDRA Coolers in Canada, along with 80 samples, and made 60 online sales. By that time, TUNDRA Coolers were sold in some 40 retail stores which HowSue describes as “high end specialty retailers”, such as Mountain Equipment Co-op, SAIL, and Cabela’s. Yeti had sales of USD\$719,828 in Canada in 2017.

[57] Mr. Kubala submitted a large amount of evidence in his first affidavit to support the claim that the Yeti TUNDRA Mark is well known in Canada. He explained that since 2008, Yeti has devoted at least 20 million USD to advertising and promoting TUNDRA Coolers. However, as HowSue points out, Mr. Kubala cannot explain how much, if any, of this money was spent in Canada.

[58] Mr. Kubala also submits that Yeti’s website has been viewed over a million times by Canadian IP addresses, and that its social media platforms show many Canadian followers: 18,616 on Instagram, 2100 on Twitter, 4953 on Facebook, and 55 on YouTube.

[59] Mr. Kubala also submitted reviews of Yeti’s products from amazon.ca, the Canadian version of the online retailer Amazon. However, as HowSue points out, as of the day of the printout (November 24, 2017), there were no Canadian reviews and all reviews listed were from the U.S. Yeti submitted 4 reviews of the YETI TUNDRA 45 from the website for the Canadian company Mountain Equipment Co-op.

[60] Notwithstanding the issues HowSue notes with some of this evidence, the evidence does establish to my satisfaction that the Yeti TUNDRA Mark was and has continued to be known in Canada in association with the TUNDRA Coolers.

[61] HowSue submits that there is no evidence of actual confusion, and Yeti was not aware of the HowSue Tundra Mark until its application to register the Yeti TUNDRA Mark. This, it says, allows me to draw a negative inference against the existence of confusion: see *Sky Solar Holdings Co v Skypower Global*, 2014 TMOB 262 [*Sky Solar*]. I give little weight to this argument. *Sky Solar* dealt with a specialized industry, solar panel installation, a fact stressed by the Member in that case. The Member noted that although it was not necessary to adduce evidence of confusion to find confusion, one could draw a negative inference from the lack of reported confusion, given the overlap in wares and channel of trade within the specialized industry. This is a very different industry from the retail industry relevant in this case. Additionally, the Member in *Sky Solar* drew the negative inference from the Opponent affiant's testimony, who had asked his employees about whether any third parties had reported confusion. Unlike solar panel installation, Yeti sells products to its consumers mostly through retailers, and the fact that no one reported confusion to Yeti does not foreclose the possibility consumers could still be confused.

[62] Accordingly, I find that at the date this application was commenced, the HowSue Tundra Mark was not distinctive of HowSue's goods as it was confusing with the senior Yeti TUNDRA Mark.

## **Conclusion**

[63] For these reasons, the application must be granted and the 631 Registration expunged.

[64] Yeti is entitled to its costs of the application. If the parties are unable to agree on costs, they may make written submissions in writing, not exceeding five pages, within two weeks of the issuance of this Judgment and Reasons.

**JUDGMENT in T-1674-17**

**THIS COURT'S JUDGMENT is that** the application for expungement is granted and the Respondent's Canadian trade-mark registration No. TMA866,631 for the trade-mark Tundra shall be expunged; and the Applicant is entitled to its costs in accordance with these Reasons.

"Russel W. Zinn"

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Judge

**Appendix A**

(a) TMA882,615 (the "615 Registration"), registered since July 22, 2014, for "Tundra" for use in association with "Lapboards for reading and writing; Flash lights, namely flexible reading lights, flash lights for use on a person's head, rechargeable book lights, and hand-pump flash lights; TV and electronic organizers, namely arm rest caddies; Eyeglass holders, namely eyeglass holders made from clay in the shape of various animals; coin holders and coin sorters; key locators, namely remote control key finders; automatic card shufflers; manicure sets; portable games, namely inflatable dart ball game, automatic basketball return game, mini pinball game, carnival shooting style game in the shape of an animal, mini air hockey game, and a bean bag toss game; sweater defuzzer; lint brushes; hair trimmers; safes; stylus; pocket knives; fog free mirrors; Tools, namely key chain emergency escape tools; vacuum cleaners; breath alcohol testers; blankets; ice scrapers; snow toys, namely snowman accessories; electronic inverters, namely mobile 200 watt inverters with USB power in the shape of a cup; wine thermometers; lens and screen cleaners; closet organizers, namely belt and scarf hangers; coin jars, namely digital coin banks in various shapes; and umbrellas"; and

(b) TMA952,656 (the "656 Registration"), registered since October 19, 2016, for "Tundra" for use in association with "Luggage, namely soft sided luggage, hard framed luggage, garment bags, pullmans, duffle bags, gear bags, attache cases, portfolios, brief cases, toiletry bags, totes, handbags, travel accessory bags and cosmetic bags; Camping equipment, namely, backpacks and knapsacks and wallets."

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-1674-17

**STYLE OF CAUSE:** YETI COOLERS, LLC v HOWSUE HOLDINGS INC

**PLACE OF HEARING:** TORONTO, ONTARIO

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**DATED:** MARCH 18, 2019

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