

Federal Court



Cour fédérale

Date: 20210628

Docket: T-1485-17

Citation: 2021 FC 674

Ottawa, Ontario, June 28, 2021

PRESENT: The Honourable Mr. Justice Brown

APPLICATION UNDER Section 56 of the *Trade-marks Act*, R.S.C. 1985, c. T-13, in relation to application no. 1615226 for the trade-mark FIRE AND ICE CANADIAN DIAMOND & Design and application no. 1615229 for the trade-mark FIRE ON ICE CANADIAN DIAMOND & Design

BETWEEN:

BEVERLY HILLS JEWELLERS MFG LTD.

Applicant

and

CORONA JEWELLERY COMPANY LTD.

Respondent

JUDGMENT AND REASONS

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[1] This is an appeal of a decision by the Trade-marks Opposition Board [TMOB] in the name of the Registrar of Trade-marks [Registrar]. The TMOB refused the Applicant's applications to register two proposed composite trade-marks, namely FIRE AND ICE CANADIAN DIAMOND & Design (Application no. 1,615,226) and FIRE ON ICE CANADIAN DIAMOND & Design (Application no. 1,615,229) [collectively the DIAMOND Marks]. The applications were refused by the TMOB [Decision] based on oppositions filed by the Respondent [also referred to as Corona].

[2] The Respondent alleged the DIAMOND Marks were confusing with the Respondent's prior registered trade-marks: a word mark MAPLE LEAF DIAMONDS (TMA688061), and principally its design mark GEOMETRIC Design (TMA677376) [collectively the CORONA Marks]. The TMOB agreed with the Respondent, found the DIAMOND Marks confusing with the GEOMETRIC Design mark and refused the registration applications.

[3] The Applicant appeals under section 56 of the *Trade-marks Act*, RSC 1985, c T-13 [Act] for a direction the TMOB reject the opposition to the DIAMOND Marks and related relief. The Respondent asks the appeal be dismissed and the applications be refused, with costs.

[4] The *Act* was amended on June 17, 2019, such that, among other things, it was renamed the *Trademarks Act*. However, this appeal is governed by the former *Act* with its hyphenated name.

I. Facts and decision under review

A. *General*

[5] On February 22, 2013, the Applicant filed two separate applications, one for each of the proposed DIAMOND Marks, both in association with “Jewellery; Gold; Diamonds”. The applications were based on proposed use: neither of the DIAMOND Marks were in use when the Applicant filed its applications. The two proposed DIAMOND Marks were:



[6] The Applicant began selling jewellery in association with the DIAMOND Marks some four months after filing its applications, that is, in June 2013.

[7] According to the Certified Tribunal Record [CTR], the application for FIRE AND ICE CANADIAN DIAMOND and Design was initially rejected for advertising by the trade-mark examiner [Examiner] because of confusion with the Respondent’s GEOMETRIC Design mark [CTR pp. 177 to 181]:



However, the Applicant provided further submissions to the TMOB who allowed advertising [CTR, pp. 163 to 176]. There is nothing of this nature in the CTR concerning the application for FIRE ON ICE CANADIAN DIAMOND and Design, which mark was advertised on the same day as FIRE AND ICE CANADIAN DIAMOND and Design.

[8] The two applications were advertised for opposition purposes in the *Trade-marks Journal* on November 12, 2014.

[9] The Respondent filed statements of opposition to both applications on January 8, 2015 under section 30, paragraph 12(1)(d), subsection 16(3), and section 2 of the Act, based on the CORONA Marks including MAPLE LEAF DIAMONDS, but relying most particularly on its GEOMETRIC Design mark:



[10] The grounds of opposition in this case were based on confusion with a previously used or known trade-mark per subsection 16(3), confusion with a registered trade-mark per paragraph 12(1)(d), and distinctiveness per section 2. The opposition also relied on subsection 30(i) (bad faith), which ground was rejected by the TMOB and was not pursued on this appeal.

[11] As the TMOB held at paragraph 4 of the Decision, “the last three grounds of opposition revolve around the likelihood of confusion between the Diamond Marks and the following trade-

marks of the [Respondent] (sometimes hereafter referred to collectively as the CORONA Marks), both used in association with, among other things, ‘jewellery, gold, and diamonds’.”

[12] The core provisions for each of these three grounds are as follows:

1. Confusion with a trade-mark previously used or made known: Subsection 16(3) of the *Act* says a proposed trade-mark, such as those of the Applicant in this case, may not be registered if, at the date of filing of the application, it was confusing with a trade-mark that had been previously used in or made known in Canada, such as the CORONA Marks. These Reasons focus on the opposition based on subsection 16(3):

Proposed marks

16 (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;

[Emphasis added]

Marques projetées

16 (3) Tout requérant qui a produit une demande selon l’article 30 en vue de l’enregistrement d’une marque de commerce projetée et enregistrable, a droit, sous réserve des articles 38 et 40, d’en obtenir l’enregistrement à l’égard des produits ou services spécifiés dans la demande, à moins que, à la date de production de la demande, elle n’ait créé de la confusion :

a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;

[Je souligne]

2. Confusion with a registered trade-mark: Paragraph 12(1)(d) of the *Act* states a trade-mark is registrable if, at the date of the Decision, see *Park Avenue Furniture Corp. v Wickes/Simmons Bedding Ltd.*, (1991) 130 NR 223 (FCA) [Desjardins JA] [*Park*], it is not confusing with a registered trade-mark:

When trade-mark registrable

12 (1) Subject to section 13, a trade-mark is registrable if it is not

...

(d) confusing with a registered trade-mark;

[Emphasis added]

Marque de commerce enregistrable

12 (1) Sous réserve de l'article 13, une marque de commerce est enregistrable sauf dans l'un ou l'autre des cas suivants:

...

d) elle crée de la confusion avec une marque de commerce déposée;

[Je souligne]

3. Distinctiveness: Section 2 of the *Act* is the general definition section and requires a trade-mark be “distinctive” as at the date of filing of the opposition, see *Metro-Goldwyn-Mayer Inc. v Stargate Connections Inc.*, 2004 FC 1185 [*Simpson J*] [*Stargate*]:

trade-mark means

(a) a mark that is used by a person for the purpose of distinguishing or so as to distinguish goods or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others,

marque de commerce Selon le cas

a) marque employée par une personne pour distinguer, ou de façon à distinguer, les produits fabriqués, vendus, donnés à bail ou loués ou les services loués ou exécutés, par elle, des produits fabriqués, vendus, donnés à bail ou

	loués ou des services loués ou exécutés, par d'autres;
...	...
(c) a distinguishing guise, or	c) signe distinctif;
(d) a proposed trade-mark; (marque de commerce)	d) marque de commerce projetée.(trade-mark)
[Emphasis added]	[Je souligne]

B. *Factors included in a confusion analysis*

[13] Subsection 6(5) of the *Act* provides an inclusive list of considerations to use to determine if a trade-mark is confusing. These will be reviewed in detail later in these Reasons. The list is inclusive, which means there may be other relevant circumstances:

When mark or name confusing	Quand une marque ou un nom crée de la confusion
6 (1) For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark or trade-name if the use of the first mentioned trade-mark or trade-name would cause confusion with the last mentioned trade-mark or trade-name in the manner and circumstances described in this section.	6 (1) Pour l'application de la présente loi, une marque de commerce ou un nom commercial crée de la confusion avec une autre marque de commerce ou un autre nom commercial si l'emploi de la marque de commerce ou du nom commercial en premier lieu mentionnés cause de la confusion avec la marque de commerce ou le nom commercial en dernier lieu mentionnés, de la manière et dans les circonstances décrites au présent article.
Idem	Idem

(2) The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the goods or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

(2) L'emploi d'une marque de commerce crée de la confusion avec une autre marque de commerce lorsque l'emploi des deux marques de commerce dans la même région serait susceptible de faire conclure que les produits liés à ces marques de commerce sont fabriqués, vendus, donnés à bail ou loués, ou que les services liés à ces marques sont loués ou exécutés, par la même personne, que ces produits ou ces services soient ou non de la même catégorie générale.

...

...

What to be considered

Éléments d'appréciation

(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :

(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;

a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;

(b) the length of time the trade-marks or trade-names have been in use;

b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;

(c) the nature of the goods, services or business;

c) le genre de produits, services ou entreprises;

(d) the nature of the trade;
and

d) la nature du commerce;

(e) the degree of
resemblance between the
trade-marks or trade-names
in appearance or sound or
in the ideas suggested by
them.

e) le degré de ressemblance
entre les marques de
commerce ou les noms
commerciaux dans la
présentation ou le son, ou
dans les idées qu'ils
suggèrent.

[Emphasis added]

[Je souligne]

C. *Related Gold Dispute*

[14] This case was heard by the TMOB and subsequently by this Court, together with another trade-mark dispute between the same parties involving not diamond jewellery, but gold jewellery [Related Gold Dispute]. The Related Gold Dispute concerns a trade-mark application for TRULY CANADIAN CERTIFIED GOLD and Design (Application no. 1,593,806) filed by the same Applicant on September 12, 2014. It was opposed by the Respondent, primarily based on its registered CANADIAN CERTIFIED GOLD word mark and Design (TMA767318). The Related Gold Dispute in this Court is the subject of file number T-1491-17.

[15] The TMOB rejected the Related Gold Dispute application, as it did with the present DIAMOND Mark applications. The Related Gold Dispute decision is appealed to this Court under section 56 of the *Act*. The Court heard the Related Gold Dispute appeal together with the present appeal regarding the DIAMOND Marks. The Court is releasing judgment in the Related Gold Dispute at the same time judgment is released in the present case. Both appeals are being dismissed.

D. *TMOB proceedings*

[16] Affidavit evidence was filed by both parties before the TMOB. The Applicant filed the affidavit of Ms. Elenita Anastacio (a trade-mark searcher with the agents for the Applicant) who provided trade-mark register evidence [Anastacio 2015 Affidavit]. The Respondent filed the affidavit of Ms. Diana Soare (Marketing Director of the Respondent) who provided considerable information about the use of the Respondent's marks, its sales, advertisements and other information relating to the CORONA Marks [Soare 2015 Affidavit].

[17] The Soare 2015 Affidavit also attached a copy of the affidavit of Mr. Giovanni Vaccaro (President of the Applicant) and exhibits thereto which the Applicant filed before the TMOB in the Related Gold Dispute.

[18] There were no cross-examinations on the affidavits filed at the TMOB.

[19] Written arguments were exchanged between the parties before the TMOB. After an oral hearing, the TMOB issued its Decision on July 31, 2017 and refused the applications based on confusion between the two proposed DIAMOND Marks and the GEOMETRIC Design mark:



The TMOB found confusion under paragraph 12(1)(d), subsection 16(3) and section 2 of the *Act*.

[20] On the same day, the TMOB issued its Decision refusing to register the trade-mark requested in the Related Gold Dispute because of confusion under paragraph 12(1)(d), subsection 16(1) and section 2 of the *Act*.

E. *Appeal to the Federal Court under section 56*

[21] On October 2, 2017, the Applicant filed a Notice of Application appealing the TMOB Decision to this Court under section 56 of the *Act*. The Applicant filed a Notice of Application in the Related Gold Dispute on the same day.

[22] Section 56 creates a right of appeal, but with a special feature permitting the filing of additional evidence which, if found to be material and accepted, allows the Court to exercise any discretion vested in the Registrar. The parties agree additional new evidence must be material to be considered on a section 56 appeal. Subsections 56(1) and 56(5) provide:

Appeal

56 (1) An appeal lies to the Federal Court from any decision of the Registrar under this Act within two months from the date on which notice of the decision was dispatched by the Registrar or within such further time as the Court may allow, either before or after the expiration of the two months....

Additional evidence

(5) On an appeal under subsection (1), evidence in addition to that adduced

Appel

56 (1) Appel de toute décision rendue par le registraire, sous le régime de la présente loi, peut être interjeté à la Cour fédérale dans les deux mois qui suivent la date où le registraire a expédié l'avis de la décision ou dans tel délai supplémentaire accordé par le tribunal, soit avant, soit après l'expiration des deux mois....

Preuve additionnelle

(5) Lors de l'appel, il peut être apporté une preuve en plus de celle qui a été fournie devant

before the Registrar may be adduced and the Federal Court may exercise any discretion vested in the Registrar. le registraire, et le tribunal peut exercer toute discrétion dont le registraire est investi.

[Emphasis added]

[Je souligne]

[23] The Applicant filed four affidavits on its appeal to this Court namely: the affidavit of Mr. Vaccaro sworn April 30, 2018 [Vaccaro 2018 Affidavit], the affidavit of Ms. Anastacio sworn May 1, 2018 [Anastacio 2018 Affidavit], and affidavits of two hired investigators Mr. Nicholas Tucker sworn April 30, 2018 [Tucker Affidavit], and Ms. Jennifer MacKinnon sworn April 30, 2018 [MacKinnon Affidavit].

[24] The Respondent also filed additional or new evidence on this appeal: the affidavits of Ms. Soare affirmed January 31, 2019 [Soare 2019 Affidavit] and Mr. Rosen affirmed January 31, 2019 [Rosen Affidavit].

[25] Mr. Vaccaro and Ms. Soare were cross-examined on the affidavits filed in this Court.

[26] The parties helpfully filed a joint record and joint book of authorities containing material relevant to the marks in this case, and to the Related Gold Dispute. The hearing of the appeal in the present case took place by ZOOM videoconference on March 15, 2021 and part of March 16, 2021 in Ottawa and Toronto. The hearing of the appeal in the Related Gold Dispute took place in the same format and places for the balance of March 16, 2021.

II. Issues

[27] The issues are:

1. What is the standard of review and legal methodology applicable to this case?
2. Does the Applicant's additional evidence meet the test for consideration? and
 - a) if the additional evidence meets the test for consideration, what is its proper assessment in the present appeal which will be decided on a *de novo basis*? and
 - b) if the additional evidence does not meet the test for consideration, what is the proper determination of this appeal having regard to tests for appellate review confirmed in *Housen v Nikolaisen*, 2002 SCC 33 [*Housen*], namely correctness for issues of law, and palpable and overriding error for issues of fact, or mixed fact and law including issues where the legal principle is not readily extricable.

III. Standard of review on section 56 appeals

A. *Housen v Nikolaisen*, 2002 SCC 33 establishes two aspects of appellate review

[28] The Supreme Court of Canada in *Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65 [*Vavilov*] at para 37 explains what is required of this Court when hearing statutory appeals, such as the current appeal under section 56. Essentially *Vavilov* confirms that on an appeal there are two appellate review standards, correctness for errors of law, and palpable and overriding error for questions of fact and questions of mixed fact and law where the legal principle is not readily extricable as decided by *Housen*:

[37] It should therefore be recognized that, where the legislature has provided for an appeal from an administrative decision to a court, a court hearing such an appeal is to apply appellate standards of review to the decision. This means that the applicable standard is to be determined with reference to the nature of the question and to this Court's jurisprudence on appellate standards of review. Where, for example, a court is hearing an appeal from an administrative decision, it would, in considering questions of law, including questions of statutory interpretation and those concerning the scope of a decision maker's authority, apply the standard of correctness in accordance with *Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235, at para. 8. Where the scope of the statutory appeal includes questions of fact, the appellate standard of review for those questions is palpable and overriding error (as it is for questions of mixed fact and law where the legal principle is not readily extricable): see *Housen*, at paras.10, 19 and 26-37. Of course, should a legislature intend that a different standard of review apply in a statutory appeal, it is always free to make that intention known by prescribing the applicable standard through statute.

[Emphasis added]

[29] To the same effect is the recent Federal Court of Appeal judgment in *The Clorox Company of Canada, Ltd. v. Chloretec S.E.C.*, 2020 FCA 76 [de Montigny JA] [*Clorox*]:

23 As a result, from now on, it is the Supreme Court's jurisprudence on appellate standards of review (and in particular *Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235 (S.C.C.) [*Housen*]) that both the Federal Court and this Court should apply when dealing with an appeal under subsection 56(1) of the Act. I note that it is, indeed, the standard which the Federal Court has applied in what appears to be the only reported case so far involving an appeal under the regime of the Act: see, *Pentastar Transport Ltd. v. FCA US LLC*, 2020 FC 367 (F.C.) at paras. 42-45. For questions of fact and mixed fact and law (except for extricable questions of law), the applicable standard is therefore that of the "palpable and overriding error". For questions of law, the standard is correctness.

[Emphasis added]

B. *What is meant by palpable and overriding error for questions of fact and mixed fact and law*

[30] If this Court finds an issue is a question of fact or mixed fact and law, it will review that issue on the appellate standard of palpable and overriding error. Justice Stratas in *Canada v South Yukon Forest Corporation*, 2012 FCA 165 [*South Yukon*] explains what the Applicant must show to establish a palpable and overriding error in an appeal (also to be discussed later in these Reasons):

[46] Palpable and overriding error is a highly deferential standard of review: *H.L. v. Canada (Attorney General)*, 2005 SCC 25, [2005] 1 S.C.R. 401; *Peart v. Peel Regional Police Services* (2006) 2006 CanLII 37566 (ON CA), 217 O.A.C. 269 (C.A.) at paragraphs 158-59; *Waxman, supra*. “Palpable” means an error that is obvious. “Overriding” means an error that goes to the very core of the outcome of the case. When arguing palpable and overriding error, it is not enough to pull at leaves and branches and leave the tree standing. The entire tree must fall.

[Emphasis added]

[31] This description of palpable and overriding error has been adopted by both the Federal Court and Federal Court of Appeal. See most recently: *Spectrum Brands, Inc. v Schneider Electric Industries SAS*, 2021 FCA 51 [LeBlanc JA] at para 7; *Apotex Inc. v Janssen Inc.*, 2021 FCA 45 [Locke JA] at para 44; *Dixon v TD Bank Group*, 2021 FC 101 [Norris J] at para 8.

[32] The Federal Court of Appeal in *Clorox* also addressed the palpable and overriding error standard of review for errors of fact and mixed fact and law in a section 56 appeal:

[38] The appellant now asks this Court to reweigh the evidence and to come to a different conclusion than that reached by the TMOB and the Federal Court. This is a steep hill to climb, considering that on questions of fact and of mixed fact and law, the

standard of review is the standard of palpable and overriding error. In other words, the appellant must convince this Court that the Federal Court made an error that is obvious and that goes to the very core of the outcome of the case: *Canada v. South Yukon Forest Corporation*, 2012 FCA 165 at para. 46, 431 N.R. 286. This is an even more deferential standard of review than the standard of reasonableness applied by the Federal Court.

[Emphasis added]

C. *Questions of law are to be reviewed on a standard of correctness*

[33] Appellate review of questions of law, including readily extricable errors of law, are conducted on the standard of correctness. This is explained by the Supreme Court of Canada in

Housen:

8. On a pure question of law, the basic rule with respect to the review of a trial judge's findings is that an appellate court is free to replace the opinion of the trial judge with its own. Thus the standard of review on a question of law is that of correctness: *Kerans, supra*, at p. 90.

[Emphasis added]

D. *Tests for additional or new evidence*

(1) What is material new evidence?

[34] As noted, six affidavits were filed in this appeal, four from the Applicant and two from the Respondent. However, not all allegedly new evidence is considered on an appeal under section 56. The jurisprudence establishes new or additional evidence filed on a section 56 appeal is only considered if it is "material", a word not defined in the *Act*. However, both the Federal

Court of Appeal and this Court have addressed the meaning of material evidence in the following cases.

[35] Justice de Montigny in *Clorox* recently confirmed that to be material, new evidence under section 56 must be “sufficiently substantial and significant” and “of probative value”:

21 When the new evidence is found to be material — which has been interpreted to mean “sufficiently substantial and significant” (*Levi Strauss & Co. v. Vivant Holdings Ltd.*, 2005 FC 707 (F.C.) at para. 27, (2005), 276 F.T.R. 40 (F.C.)) and of “probative value” (*Tradition Fine Foods Ltd. c. 3102-6636 Québec Inc.*, 2006 FC 858 (F.C.) at para. 58, (2006), 51 C.P.R. (4th) 342 (F.C.)) — subsection 56(5) of the Act states that the Federal Court “may exercise any discretion vested in the Registrar”. This is in the nature of an appeal de novo and calls for the correctness standard. In *Vavilov*, the Supreme Court was clear that reasonableness is the presumptive standard of review when a court reviews the merits of an administrative decision. Such a presumption will be rebutted, however, when the legislature has clearly signalled that a different standard should apply. This is precisely what subsection 56(5) does, and I see no reason not to give effect to this legislative intent.

[Emphasis added]

[36] See also *Vivat Holdings Ltd v Levi Strauss & Co*, 2005 FC 707 [*Vivat*] [Layden-Stevenson J] which requires new evidence to be sufficiently substantial and significant, of probative significance, and not merely supplemental or repetitive of existing evidence:

[27] To affect the standard of review, the new evidence must be sufficiently substantial and significant. If the additional evidence does not go beyond what was in substance already before the board and adds nothing of probative significance, but merely supplements or is merely repetitive of existing evidence, then a less deferential standard is not warranted. The test is one of quality, not quantity: *Garbo Group Inc. v. Harriet Brown & Co.* (1999), 1999 CanLII 8988 (FC), 3 C.P.R. (4th) 224 (F.C.T.D); *Canadian Council of Professional Engineers v. APA – Engineered Wood Assn.* (2000), 2000 CanLII 15543 (FC), 7 C.P.R. (4th) 239

(F.C.T.D.); *Mattel, Inc. v. 3894207 Canada Inc.* (2004), 2004 FC 361 (CanLII), 30 C.P.R. (4th) 456 (F.C.).

[Emphasis added]

[37] The Federal Court of Appeal in *Seara Alimentos Ltda. v Amira Enterprises Inc.*, 2019 FCA 63 [*Seara*] [Gauthier JA] at paras 23 – 25 confirms only evidence that would have materially affected the TMOB’s findings of fact or the exercise of its discretion, is material. Materiality is a preliminary test to determine if, on appeal, this Court will have to reassess the evidence on a given issue. This test cannot and should not involve such a reassessment up front to determine if it would ultimately change the result or outcome. The materiality test addresses the significance and probative value of the new evidence. If the proffered evidence merely supplements or confirms the findings of the TMOB, it cannot be said to be “material” enough to warrant being admitted. The additional evidence must not be repetitive and should enhance the overall cogency of the evidence on the record. The Court in *Seara* put the question this way: could the new evidence, because of its significance and probative value, have had a bearing on a finding of fact or the exercise of discretion of the TMOB?

[23] As mentioned, the test for admitting new evidence pursuant to subsection 56(5) of the Act has been formulated as whether the additional evidence adduced in the Federal Court “would have materially affected the Registrar’s findings of fact or the exercise of his discretion” (*Molson Breweries* at para. 51, *per* Rothstein J.A.). The use of “would have” must be understood in its proper context. It is a preliminary test to determine if, on appeal, the Federal Court will have to reassess the evidence on a given issue. This test therefore cannot and should not involve such a reassessment up front to determine if it would ultimately change the result or outcome. This is why in the formulation of the test in French the “would have” has been consistently translated as “aurait pu avoir” (see e.g. *Rogers Communications Inc. c. Society of Composers, Authors and Music Publishers of Canada*, 2012 CSC 35 at para. 71; *Pizzaiolo Restaurants inc. C. Les Restaurants La Pizzaiolle inc.*, 2016 CAF 265 at para. 2; *Brasseries Molson c.*

John Labatt Ltée, 2000 CanLII 17105 (FCA), [2000] 3 C.F. 145 at para. 51 (C.A.).

[24] Furthermore, it is well understood that the materiality test addresses the significance and probative value of the new evidence. If the proffered evidence merely supplements or confirms the findings of the TMOB, then it cannot be said to be “material” enough to warrant being admitted (see *U-Haul International Inc. v. U Box It Inc.*, 2017 FCA 170 at para. 26). To be “material”, the additional evidence must not be repetitive and should enhance the overall cogency of the evidence on the record (*Cortefiel, S.A. v. Doris Inc.*, 2013 FC 1107 at para. 33, aff’d 2014 FCA 255; see also *Servicemaster Company v. 385229 Ontario Ltd. (Masterclean Service Company)*, 2015 FCA 114 at paras. 23-24).

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

[Emphasis added]

[38] The following jurisprudence gives further guidance on whether new evidence is material:

- (i) Justice de Montigny, as he then was, in *Hawke & Company Outfitters LLC v Retail Royalty Company*, 2012 FC 1539 [*Hawke*] held material evidence is not that which pertains to facts posterior to the relevant material date, or which merely supplements or confirms earlier findings:

[31] It is well established that when additional evidence is filed, the test is “one of quality, not quantity”: see *Canadian Council of Professional Engineers v APA – The Engineered Wood Assn*, 2000 CanLII 15543 (FC), [2000] FCJ no 1027 (QL), 7 CPR (4th) 239 (FC) at para 36; *Wrangler Apparel Corp v Timberland Co*, 2005 FC 722 at para 7. Evidence that merely supplements or confirms earlier findings, or which pertains to facts posterior to the relevant material date, will be insufficient to displace the deferential standard of reasonableness.

[Emphasis added]

- (ii) Justice LeBlanc, as he then was, followed Justice de Montigny in *Kabushiki Kaisha Mitsukan Group Honsha v Sakura-Nakaya Alimentos Ltda.*, 2016 FC 20 [*Kabushiki*] and also held new evidence that merely supplements or confirms earlier findings, or which pertains to facts posterior to the relevant material date, is not material:

[19] ... In other words, evidence that “merely supplements or confirms earlier findings, or which pertains to facts posterior to the relevant material date” is not sufficient to displace the burden. Moreover, the test is “one of quality, not quantity” (*Canadian Council of Professional Engineers v Apa – The Engineered Wood Assn*, 2000 CanLII 15543 (FC), [2000] 184 FTR 55, at para 36, 7 CPR (4th) 239; *Timberland Co v Wrangler Apparel Corp*, 2005 FC 722, at para 7, 272 FTR 270).

[Emphasis added]

[39] In summary, new evidence may be material if it is sufficiently substantial and significant and of probative value (*Clorox* at para 21; *Seara* at para 24; *Vivat* at para 27). The evidence must be that which would have materially affected the Registrar’s findings of fact or exercise of discretion (as explained in *Seara* at para 23). It must not merely supplement or confirm earlier evidence (*Seara* at para 24; *Vivat* at para 27; *Hawke* at para 31; *Kabushiki* at para 19), must not pertain to facts posterior to the relevant material date (*Hawke* at para 31; *Kabushiki* at para 19), and must not be repetitive (*Seara* at para 24). The test for materiality is one of quality not quantity (*Vivat* at para 27; *Hawke* at para 31; *Kabushiki* at para 19) and it should enhance the overall cogency of the evidence on the record (*Seara* at para 24). The question is “could this new evidence, because of its significance and probative value, have had a bearing on a finding of fact or the exercise of a discretion of the TMOB?” (*Seara* at para 25).

E. *Material dates*

[40] Material new evidence is to be assessed as of certain material dates. The parties agree on the material dates for each ground of opposition:

- Subsection 16(3): the material date for confusion with a trade-mark previously known or made known is established in subsection 16(3) of the *Act* itself as “at the date of filing of the application.” I will refer to this as the material date of filing. In this case the material date of filing is February 22, 2013;
- Section 2: the material date for distinctiveness of the trade-mark is the date of filing of the opposition, see *Stargate*, in this case January 8, 2015;
- Paragraph 12(1)(d): the material date for confusion with a registered trade-mark is the date of the Decision of the TMOB, see *Park*, in this case July 31, 2017.

F. *Analysis of materiality of new evidence under subsection 16(3) of the Act*

[41] Because it has the earliest of the three material dates, I will first assess the materiality of the new evidence in terms of subsection 16(3) and do so as of its material date, namely February 22, 2013. As will be seen, I find none of the new evidence to be material. Therefore I will proceed to conduct an appellate review based on subsection 16(3). Because I found the Respondent succeeded under subsection 16(3) it became unnecessary to conduct additional appellate review under either paragraph 12(1)(d) or section 2 of the *Act*. Subsection 16(3) provides:

Proposed marks

16(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;

[Emphasis added]

Marques projetées

16(3) Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce projetée et enregistrable, a droit, sous réserve des articles 38 et 40, d'en obtenir l'enregistrement à l'égard des produits ou services spécifiés dans la demande, à moins que, à la date de production de la demande, elle n'ait créé de la confusion:

a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;

[Je souligne]

[42] It may be useful to repeat the summary of jurisprudence on material evidence determined above. New evidence may be material if it is sufficiently substantial and significant and of probative value (*Clorox* at para 21; *Seara* at para 24; *Vivat* at para 27). The evidence must be such that it would have materially affected the Registrar's findings of fact or exercise of discretion (as explained in *Seara* at para 23). It must not merely supplement or confirm earlier evidence (*Seara* at para 24; *Vivat* at para 27; *Hawke* at para 31; *Kabushiki* at para 19). It must not pertain to facts posterior to the relevant material date (*Hawke* at para 31; *Kabushiki* at para 19), and must not be repetitive (*Seara* at para 24). The test for materiality is one of quality not quantity (*Vivat* at para 27; *Hawke* at para 31; *Kabushiki* at para 19) and it should enhance the overall cogency of the evidence on the record (*Seara* at para 24).

[43] At this point, the Court will conduct a preliminary analysis in respect of which the question is: “could this new evidence, because of its significance and probative value, have had a bearing on a finding of fact or the exercise of a discretion of the TMOB?” (*Seara* at para 25).

[44] In the following analysis, I find almost all of the Applicant’s additional evidence fails to meet the test of materiality per subsection 16(3) because it pertains to facts posterior to the date of filing, contrary to *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(3) itself. It should be noted such alleged new evidence might have been relevant to submissions under section 2 and paragraph 12(1)(d). However, because the Applicant fails under subsection 16(3), these additional grounds will not be considered further.

(1) Vaccaro 2018 Affidavit filed by the Applicant

[45] I will now examine the alleged new evidence in light of the foregoing starting with the Vaccaro 2018 Affidavit filed in this Court. I note Mr. Vaccaro did not file an affidavit before the TMOB regarding these two applications; however, he filed an affidavit before the TMOB in the Related Gold Dispute. That affidavit was before the TMOB in this proceeding as an exhibit to the Soare 2015 Affidavit filed by the Respondent at the TMOB; no objection was taken before the TMOB or this Court.

[46] The Applicant submits the Vaccaro 2018 Affidavit consists of substantive new evidence addressing the TMOB’s refusal of the two applications. The Respondent disputes the materiality of the Applicant’s new evidence to the subsection 16(3) analysis, submitting all his evidence

pertains to facts after or posterior to the material date and is therefore inadmissible. The material date under subsection 16(3) is the date of filing of the application, February 22, 2013.

[47] To recall, the subsection 16(3) analysis asks whether a proposed trade-mark is confusing with a trade-mark previously used in Canada or made known in Canada. If it is, the Applicant is not entitled to register the proposed marks:

Proposed Marks

16(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;

[Emphasis added]

Marques projetées

16(3) Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce projetée et enregistrable, a droit, sous réserve des articles 38 et 40, d'en obtenir l'enregistrement à l'égard des produits ou services spécifiés dans la demande, à moins que, à la date de production de la demande, elle n'ait créé de la confusion :

a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;

[Je souligne]

[48] The Vaccaro 2018 Affidavit provides allegedly new evidence under a number of headings. Mr. Vaccaro first explained his role as the President of the Applicant, explained his day-to-day responsibilities, and outlined his knowledge of the business, which puts him in the position to provide an affidavit about the business. He then provided the following information:

1. Background of the Applicant (paras 4 – 8; 24 - 25): Mr. Vaccaro explains the business background of the Applicant including its creation and Mr. Vaccaro's role and responsibilities in the business. He also states the Applicant's position in the market as a manufacturer that often incorporates diamonds and gold originating from Canada in its jewellery, its size including number of staff, and trade publications in which the Applicant was featured. For the most part this is not controversial, but that changes when he speaks of events after February 22, 2013 the date of filing his two applications. Mr. Vaccaro also states the Applicant "sells its products to end users in Canada through a network of over 1,000 retailers across Canada, including retailers in 10 provinces and 2 territories". The Applicant said during oral submissions this information is of probative value because of the business content it provides. I am not persuaded. In my view and on a preliminary assessment based on subsection 16(3), this evidence is not material because it pertains to facts posterior to the material date of filing which was February 22, 2013. For example, when Mr. Vaccaro says the Applicant "sells its products to end users in Canada through a network of over 1,000 retailers across Canada", he uses the present tense to describe the situation as of April 30, 2018 when his affidavit was sworn. However, that was more than five years after the two applications at issue in this appeal were filed. Therefore, this and other sales information pertaining to sales after the date of filing is not material because it pertains to facts posterior to the material filing date of February 22, 2013 per *Hawke* at para 3, *Kabushiki* at para 19, and subsection 16(3) itself.

2. Trade-mark applications and registrations (paras 9 - 10): The Vaccaro 2018 Affidavit lists and exhibits trade-marks owned by the Applicant with printouts of their registrations. The Applicant submits this information is of probative value. With respect, I disagree. In my view on a preliminary assessment for the purposes of subsection 16(3), this new evidence merely supplements or confirms evidence already before the TMOB, which is not material new evidence per *Seara* at para 24, *Vivat* at para 27, *Hawke* at para 31, and *Kabushiki* at para 19. I say this because the Applicant put this evidence before the TMOB in the previous affidavit of Ms. Anastacio dated October 26, 2015. The new information is not proper additional material new evidence essentially because it is not new or significant.
3. Adoption of the DIAMOND Marks in Canada (paras 11 - 17): Mr. Vaccaro explains the Applicant planned in late 2011 to launch a collection of jewellery with diamonds originating in Canada. Mr. Vaccaro explains the background of the DIAMOND Marks and states he created the design element of the DIAMOND Marks in September 2012 as a combination of the maple leaf, fire and ice. He exhibited his initial sketches. Mr. Vaccaro says the Applicant applied to register the FIRE AND ICE CANADIAN DIAMOND word mark on October 3, 2012, which was registered on March 26, 2014 with no opposition. He says the Applicant also filed its application to register the composite DIAMOND Marks on February 22, 2013, registration of which were opposed by the Respondent. Mr. Vaccaro explained how the Applicant expanded its collection, and applied to register the word trade-mark FOREVER ICE CANADIAN DIAMOND on March 6, 2013, which was registered on June 4, 2014. In my view, additional evidence is

not material because it pertains to facts posterior to the material filing date of February 22, 2013 per *Hawke* at para 3, *Kabushiki* at para 19, and subsection 16(3) itself. The Applicant submitted during the oral hearing this evidence is relevant because it shows the design and drawing of the DIAMOND Marks before the filing and while a small portion of it does (date of creation for example), in my view this is not material. It is not disputed that the Applicant's proposed word and design DIAMOND Marks were not used in association with the previously registered word marks at any time before or at the material date of filing of February 23, 2013; rather the purpose of the two applications was to obtain registrations for "proposed" word marks and design. I do not see this evidence as relevant or probative under subsection 16(3). It is also common ground the DIAMOND Marks were created well after the CORONA Marks started being used in Canada which started in 2004. I note Corona's GEOMETRIC Design mark was registered November 20, 2006, and Corona's word mark MAPLE LEAF DIAMOND was registered May 22, 2007. On this preliminary assessment, I am unable to see this alleged new evidence as sufficiently substantial, significant and probative because in my view it could not have had a bearing on a finding of fact or the exercise of a discretion of the TMOB under subsection 6(5).

4. Use of the DIAMOND Marks in Canada (paras 18 - 23): Mr. Vaccaro states the Applicant has used the FIRE AND ICE CANADIAN DIAMOND and Design mark since as early as June 2013, when it was launched at a tradeshow. Mr. Vaccaro includes sample promotional material and images of the Applicant's website promoting its marks over a number of years that customers had access to

since June 2013. The Respondent submits, and with respect, I agree none of this evidence is material for the purpose of subsection 16(3) because all this evidence pertains to facts posterior to the material date of filing the applications namely February 23, 2013. Parliament established the material date for proposed mark registrations such as this, as “the date of filing of the application” and did so in subsection 16(3). The circumstances in *Scott Paper Ltd v Georgia Pacific Consumer Products LP*, 2010 FC 478 [*Scott*] [O’Keefe J] relied upon by the Applicant to say new evidence can be considered, are very different because in *Scott* there was no evidence of the state of the marketplace such that the Court was persuaded to look at evidence a year later. I note the Court in *Scott* referred to such ‘after the filing date evidence’ as circumstantial. Here, no such inference may be drawn; the evidence is unequivocal that there was no use whatsoever of the proposed trade-marks and design at the material date, i.e., the date of filing the applications on February 23, 2013. Indeed, there was no such use until - at the very least - some four months after the filing date, i.e., in June 2013. This evidence fails to meet the test of materiality because it pertains to facts posterior to the filing date and therefore is not material per *Seara* at para 24, *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(3) itself.

5. Catalogues and displays (paras 26 - 31): Mr. Vaccaro provides a sample catalogue provided to retailers and states the FIRE AND ICE CANADIAN DIAMOND and Design mark appears prominently with goods with unique style numbers in brochures and catalogues provided to retailers, and other information. The fact is all this evidence pertains to facts posterior to the relevant date, i.e., the filing date

per subsection 16(3). In my respectful view, on a preliminary assessment, this evidence is not material new evidence because to the extent it deals with events and activities and pertains to facts posterior to the relevant date, it may not be considered material new evidence per *Hawke* at para 31, *Kabushiki* at para 19, and subsection 16(3).

6. Sale of the Applicant's goods (paras 32 - 34): Mr. Vaccaro states among other things that goods in association with the FIRE AND ICE CANADIAN DIAMOND and Design mark comprise over 50% of all goods in its catalogue. In my view, on a preliminary assessment and based on subsection 16(3), all of this sales activity involving the proposed trade-marks pertains to facts posterior to the relevant date, namely the date of filing of the applications and may not be considered material new evidence per *Hawke* at para 31, *Kabushiki* at para 19, and of course per subsection 16(3) itself.

7. Promotion of the DIAMOND Marks in Canada (paras 35 - 36): Mr. Vaccaro states since June 2013 the Applicant has promoted the FIRE AND ICE CANADIAN DIAMOND and Design mark in Canada. He says the fact the goods are made in Canada by Canadians is very important to the Applicant – something emphasized in promotional materials and advertisements and by the retailers when selling the Applicant's goods to customers. While he makes other statements, in my view all this activity involved the proposed trade-marks after the relevant date of filing. In my respectful view, on a preliminary assessment and under the subsection 16(3) ground of appeal, this evidence is not material because it deals with events and

activities and pertains to facts posterior to the relevant date namely the date of filing; it may not be considered material new evidence per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(3).

8. Brochures and flyers (paras 37 - 50): Mr. Vaccaro states the Applicant creates, publishes and circulates a variety of brochures, catalogues and flyers throughout the year which promote the DIAMOND Marks in association with its goods – during the Valentines’ Day season, the Spring season, and the Christmas season. The Respondent submits this information is not material because it is the same type of information already considered by the TMOB. I agree. This may be seen by comparing the Vaccaro 2018 Affidavit with the affidavit of Mr. Vaccaro for the Related Gold Dispute as exhibited in the Soare 2015 Affidavit before the TMOB in these proceedings. I have reviewed both and in my preliminary view, the information is substantially similar. Therefore, it is not material because it supplements in a minor way and is repetitive of the evidence below, contrary to *Seara* at para 24. In addition, none of this activity involves the proposed trademarks under appeal before or at the relevant date. It is all evidence that pertains to facts posterior to the relevant material date and may not be considered material new evidence on a subsection 16(3) appeal per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(3) of the Act.

9. Magazine advertisements (paras 51 - 55): Mr. Vaccaro says since 2013 the Applicant has promoted the DIAMOND Marks in association with its goods through print and online magazine advertisements. Mr. Vaccaro says how many

individuals on average the various jewellery magazines reach, their demographics and provides samples of the advertisements and invoices. Again, on this preliminary assessment, this activity involving the proposed trade-marks pertains to facts posterior to the relevant date, namely the date of filing the registrations per subsection 16(3). Therefore, it may not be considered material new evidence on a subsection 16(3) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(3).

10. Website and social media promotion (paras 56 - 58): Mr. Vaccaro states since at least 2016, the Applicant has promoted the DIAMOND Marks in association with its goods on social media accounts and its websites and since 2018 has used a business-to-business portal to promote the goods to retailers. Once again, on a preliminary assessment, all of this activity involving the proposed trade-marks pertains to facts posterior to the relevant date of filing the applications and may not be considered material new evidence on a subsection 16(3) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(3) itself.

11. Sponsorships (paras 59 - 61): Mr. Vaccaro states since 2014, the Applicant has sponsored the Jewellers' Golf Tournament and the Jewellers' Ball. The Applicant also offers the Giovanni Vaccaro Family Scholarship since 2013. Once again, all this activity involved the proposed trade-marks after the relevant material date of filing, and therefore is not material new evidence under a subsection 16(3) ground of appeal because of *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(3).

12. Exhibitions and tradeshows (paras 62 - 64): Mr. Vaccaro states the Applicant has attended and promoted its goods at a number of jewellery exhibitions and tradeshows in Canada and provides a list of tradeshows attended and says the DIAMOND Marks have been promoted since June 2013. However, this and other related information provided by Mr. Vaccaro pertains to facts posterior to the relevant filing date for these proposed trade-marks and as such is not material new evidence on a subsection 16(3) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19, and subsection 16(3).

13. Promotional expenditures (para 65): Mr. Vaccaro says the Applicant has spent well in excess of \$200,000 per year on promotion and advertisement of the DIAMOND Marks in association with the goods, and goes into other related details. However, all this evidence pertains to facts posterior to the material date of filing the applications. Thus on a preliminary assessment, it is not material new evidence under a subsection 16(3) ground of appeal and may not be considered per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(3).

14. Instances of confusion (para 66): Mr. Vaccaro states, as President of the Applicant, any questions regarding confusion of the DIAMOND Marks as a brand would be ultimately directed to him. Essentially, he says that because he heard no complaints about confusion, and was not aware of any instances of confusion on the part of any customer or retailer, there was no evidence of confusion. However, on a preliminary assessment, all this evidence pertains to facts posterior to the date of filing the applications, i.e., February 23, 2013. This is not surprising because

the Applicant concedes it did not use the proposed marks until four months after the material date of filing its two applications. In my view, this evidence once again pertains to facts posterior to the material date of filing the applications, and is therefore not material new evidence and may not be considered under a subsection 16(3) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19, and subsection 16(3).

(2) Tucker Affidavit and MacKinnon Affidavit filed by the Applicant

[49] Both the Tucker and MacKinnon Affidavits provide evidence of shop-in-shop retail displays gathered by private investigations conduct January 22-23, 2018 and April 26, 2018 in Ontario and British Columbia, respectively. However, all this information was gathered well after the material date for a subsection 16(3) ground of appeal, namely the date of filing the applications. Thus, on a preliminary assessment, this alleged new evidence is not material on a subsection 16(3) ground of appeal because it is evidence that pertains to facts posterior to the material date of filing the applications, which is not material per *Hawke* at para 31, and *Kabushiki* at para 19 and subsection 16(3) itself.

(3) Anastacio 2018 Affidavit filed by the Applicant

[50] The Anastacio 2018 Affidavit provides information on the state of the trade-mark register through exhibiting results of searches conducted on May 1, 2018 for trade-marks covering the terms “maple” and “leaf” in association with “jewel*”, “gold*” and “diamond*” covering class 14 goods from the International Nice Classification and related marks. The Respondent submits,

and I agree this evidence is not material for any ground of opposition, including subsection 16(3), because it is the same type of evidence thus repetitive, of what was before the TMOB. I say this because in 2015, Ms. Anastacio filed a similar affidavit before the TMOB containing similar information. Such repetitive evidence offends *Seara* at para 24; it is not new.

[51] In addition, the Anastacio 2015 Affidavit concerned a search dated July 23, 2015 for trade-marks in association with the terms “maple” and “leaf” and “diamond” covering the same class 14 goods from the International Nice Classification and related marks. The Anastacio 2018 Affidavit contains new evidence based on a search conducted as at May 1, 2018. However, the 2018 search was conducted more than five years after the material date, was not focussed on the date of filing the applications, and obviously contains evidence that “pertains to facts posterior to the relevant material date”, which as we have seen, is not material on a subsection 16(3) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(3) itself. On a preliminary assessment, I am not persuaded this new evidence could, because of its significance and probative value, have had a bearing on a finding of fact or the exercise of a discretion of the TMOB per *Seara* at para 25.

[52] I will next review the new evidence filed by the Respondent, which consisted of two affidavits, one of Ms. Soare in her capacity as the Respondent’s Marketing Director, and another of a lawyer and former articling student of the Respondent’s counsel.

(4) Soare 2019 Affidavit filed by the Respondent

[53] In its memorandum and in oral argument, the Applicant relied upon some parts of the Soare 2019 Affidavit, which I will review for materiality:

1. CORONA Marks: The Applicant relies on a statement made by Ms. Soare during cross-examination: “the logo wants to kind of resemble two things, a maple leaf and facets of a diamond”. The Applicant submits the Respondent asked for the logo to be designed in a way that the leaf resembled a diamond. Indeed, the designer of the GEOMETRIC Design called the mark the “Canadian Maple Diamond”. The Applicant says this shows the GEOMETRIC Design was designed to resemble both a maple leaf and a diamond to convey the idea of a Canadian diamond, a point the Applicant made in its memorandum. While confirming what the Applicant argued in its memorandum, in my view Ms. Soare’s statement also confirms what the TMOB found in this case. The Decision states: “these elements, the Opponent submits heighten the likelihood of confusion in that they reinforce the idea suggested by the design element, namely, the idea of a Canadian (maple leaf) diamond that has been mined in the icy north of the country. The Opponent submits that this is the same idea suggested by its CORONA Marks.” The Respondent’s position was that its GEOMETRIC Design represented both a diamond and Canada. In my respectful view, the evidence supports the Respondent’s position, and confirms a finding of the TMOB. It could not likely assist the Applicant’s request to reverse the Decision under appeal: it is not material new evidence because it is neither sufficiently substantial and significant

nor of probative value such that it could have had a bearing on a finding of fact or the exercise of a discretion of the TMOB per *Seara* at para 25.

2. First use: The Applicant, in its written submissions, relies on evidence of first use of the CORONA Marks and then criticizes its accuracy. The Applicant alleges Ms. Soare attested to the use of the CORONA Marks as early as 2003 but did not specify with which goods the marks were used or when the GEOMETRIC Design was first used. In my view, this evidence is not material new evidence because it is repetitive of the Soare 2015 Affidavit in which Ms. Soare provided the TMOB with essentially the same evidence of use of the CORONA Marks as early as January 2003. It is, on a preliminary analysis, not new evidence but evidence already before and considered by the TMOB: it is repetitive or supplementary evidence that is not material under a subsection 16(3) ground of appeal per *Seara* at para 24.

3. Tradeshows: Ms. Soare provides information about tradeshows attended by the Respondent and states the Applicant has been in very close proximity to the Respondent in some of the tradeshows. In cross-examination, Ms. Soare says booth locations at tradeshows are a negotiation between the exhibitor and the owner of the show and each exhibitor wants to get a prime location based on traffic. The Applicant submits this information is material; however I am not persuaded this evidence could assist the Applicant on its appeal per subsection 16(3) because it pertains to facts posterior to the material filing date and is

therefore not material new evidence under a subsection 16(3) ground of appeal per *Hawke* at para 31, and *Kabushiki* at para 19, and subsection 16(3) itself.

4. Shop-in-shops: Ms. Soare states the Respondent installed its first shop-in-shop in May 2010 and lists the number of retailer locations in which the Respondent has placed a shop-in-shop. This information is also in the Soare 2015 Affidavit however, the total current number of shop-in-shops has been updated. The Applicant submits this information is material; however once again I am not persuaded this evidence could assist the Applicant on its appeal on a subsection 16(3) ground of appeal because this evidence pertains to facts posterior to the material filing date and is not material new evidence under a subsection 16(3) ground of appeal per *Hawke* at para 31, and *Kabushiki* at para 19 and subsection 16(3).

5. Evidence of confusion: Ms. Soare provides photos from Instagram from the account of Jewel De Oro, a Canadian jeweller, taken on December 22, 2017 where earrings resting on the DIAMOND Marks was tagged as one of the Respondent's Instagram handles. While effort was expended by counsel on this alleged instance of confusion in the marketplace, this is simply more evidence of activity that arose four years after the material filing date under subsection 16(3) and therefore is not material new evidence under a subsection 16(3) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19, and subsection 16(3) itself.

(5) Rosen Affidavit filed by the Respondent

[54] The Rosen Affidavit contains evidence of other trade-marks that have FIRE and ICE elements that were considered distinctive. This evidence was obtained from the Canadian Trademarks Database portion of the Canadian Intellectual Property Office website and from third-party websites. The Respondent, in its written submissions states the Rosen Affidavit is evidence of use as reported by third parties of the words FIRE and ICE such as: “GLACIER FIRE used with Canadian-mined diamonds; FIRE OF THE NORTH used with Canadian-mined diamonds; HEARTS ON FIRE used with diamonds; POLAR FIRE used with Canadian-mined diamonds; NORDIC FIRE used with Canadian-mined diamonds; WHITEICE used with diamond jewellery; FIRENICE used with jewellery”. The Applicant in its memorandum argued this evidence was not admissible because it was from third-party websites and is hearsay because the truth of its contents cannot be verified. The Respondent submitted the evidence is admissible as accessed and printed from Canadian websites and in the era of internet shopping, “such website evidence is no less necessary or reliable than [the Applicant’s] evidence of pictures of the brick and mortar stores”.

[55] However in oral submissions the Applicant changed its position, stating: “while we believe that the results of that search potentially could be considered flawed because it did not have the search parameters set out, even if we consider that evidence to be admissible the third party marks that...the printouts for which Mr. Rosen provided in exhibit A... the third-party printouts show that the element fire, and the element ice, and combinations of those two words have been considered distinctive as at the date of filing.” Applicant’s counsel added, “I believe

that the printouts that were provided are relevant to the distinctiveness of the FIRE OR ICE and FIRE AND ICE marks as at the various relevant dates”.

[56] In this connection, the Applicant not only reversed itself to advance a position in oral argument inconsistent with its written submissions, it did so on the last day of a two-day hearing. This created unfairness for the Respondent that cannot be encouraged. In addition, I note the Rosen Affidavit was affirmed January 31, 2019, almost six years after the material filing date. The Respondent in oral response correctly submitted some of the applications or registrations in the Rosen Affidavit were filed after the material date of filing required by subsection 16(3), and some were filed before and abandoned, and thus should not be considered.

[57] The Respondent urged the Court to pay careful attention to each of the many trade-mark applications referred to – a matter the Applicant in my respectful view did not sufficiently address. The Applicant put the Court in the position of having to sift through material after the hearing without benefit of counsel because of a new, inconsistent and last minute position advanced by the Applicant. In my respectful view, this is not a satisfactory way for an Applicant to deal with alleged new material evidence referred to at the last minute.

[58] Given its *volte face* and given the onus was on the Applicant to make its case, which in my view it did not, I am not satisfied this alleged new evidence should be admitted as material new evidence. Given that it was all obtained posterior to the material filing date, and in the circumstances, I am not persuaded this evidence is admissible under subsection 16(3) ground of appeal per *Hawke* at para 31, and *Kabushiki* at para 19 and subsection 16(3) itself.

(6) Summary of analysis and conclusion regarding alleged material new evidence

[59] In summary, I am not persuaded any of the alleged new evidence filed or relied upon by the Applicant is sufficiently substantial and significant and of probative value (*Clorox* at para 21; *Vivat* at para 27; *Seara* at para 24), such that it could have had a bearing on a finding of fact or the exercise of a discretion of the TMOB in terms of the Applicant's appeal. In most cases, the alleged new evidence is not material because it pertains to facts posterior to, and in many cases, well after the material date for subsection 16(3) which is the date of filing the applications, namely February 22, 2013, and is therefore inadmissible per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(3) itself. In addition, as seen above, other aspects of the allegedly new evidence offend jurisprudence of this Court and the Federal Court of Appeal because it is repetitive, or supplementary or merely confirms earlier evidence (*Seara* at para 24; *Vivat* at para 27; *Hawke* at para 31; *Kabushiki* at para 19). With respect to the Rosen Affidavit, given the Applicant's last minute *volte face*, I am simply not persuaded it is sufficiently substantial and significant and of probative value (*Clorox* at para 21; *Vivat* at para 27; *Seara* at para 24), such that it could have had a bearing on a finding of fact or the exercise of a discretion of the TMOB in terms of the Applicant's appeal.

[60] In coming to this conclusion, I have relied on the well-settled jurisprudence of this Court and of the Federal Court of Appeal. In this respect, the question for the Court in its preliminary analysis of this alleged material new evidence has been "could this new evidence, because of its significance and probative value, have had a bearing on a finding of fact or the exercise of a discretion of the TMOB?" (*Seara* at para 25). On this preliminary assessment, I am not

persuaded (the onus being on the Applicant) the answer is “yes” to any of the alleged additional material evidence. The evidence I have rejected, in my respectful view could not have had a bearing on the TMOB’s findings of fact or exercise of discretion (*Seara* at para 23).

IV. Analysis of the TMOB Decision on the *Housen* appellate standard of palpable and overriding error

A. *General*

[61] As discussed above, the Supreme Court of Canada in *Housen* sets out two aspects of appellate review, one for issues of law including readily extricable legal issues, where the standard of review is correctness. The second, for issues of fact and mixed fact and law, excluding readily extricable legal issues, the appellate standard of review is palpable and overriding error, as stated by the Supreme Court of Canada in *Housen* and confirmed by *Vavilov* at para 37:

[37] It should therefore be recognized that, where the legislature has provided for an appeal from an administrative decision to a court, a court hearing such an appeal is to apply appellate standards of review to the decision. This means that the applicable standard is to be determined with reference to the nature of the question and to this Court’s jurisprudence on appellate standards of review. Where, for example, a court is hearing an appeal from an administrative decision, it would, in considering questions of law, including questions of statutory interpretation and those concerning the scope of a decision maker’s authority, apply the standard of correctness in accordance with *Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235, at para. 8. Where the scope of the statutory appeal includes questions of fact, the appellate standard of review for those questions is palpable and overriding error (as it is for questions of mixed fact and law where the legal principle is not readily extricable): see *Housen*, at paras. 10, 19 and 26-37. Of course, should a legislature intend that a different standard of review apply in a statutory appeal, it is always free to

make that intention known by prescribing the applicable standard through statute.

[Emphasis added]

[62] In this case, the Respondent says the Applicant did not point to any issue(s) of law. The Appellant did not challenge this assertion in either its written or oral assertions. Accordingly, the Court will presumptively review the TMOB Decision on the appellate standard of palpable and overriding error per *Housen*, unless it is persuaded the appellate standard of correctness is required, e.g., on issues of law.

[63] Before conducting this appellate review, I will deal with threshold issues.

B. *What constitutes a palpable and overriding error?*

[64] For the Applicant to succeed on its appeal under subsection 16(3) the Court must find one or more palpable and overriding errors in the TMOB Decision. Justice Stratas explains in more detail the standard of palpable and overriding error in *Mahjoub v Canada (Citizenship and Immigration)*, 2017 FCA 157 [*Mahjoub*]:

[61] Palpable and overriding error is a highly deferential standard of review: *Benhaim v. St. Germain*, 2016 SCC 48, [2016] 2 S.C.R. 352 at para. 38; *H.L. v. Canada (Attorney General)*, 2005 SCC 25, [2005] 1 S.C.R. 401. When arguing palpable and overriding error, it is not enough to pull at leaves and branches and leave the tree standing. The entire tree must fall. See *Canada v. South Yukon Forest Corporation*, 2012 FCA 165, 431 N.R. 286 at para. 46, cited with approval by the Supreme Court in *St. Germain*, above.

[62] “Palpable” means an error that is obvious. Many things can qualify as “palpable.” Examples include obvious illogic in the reasons (such as factual findings that cannot sit together), findings made without any admissible evidence or evidence received in

accordance with the doctrine of judicial notice, findings based on improper inferences or logical error, and the failure to make findings due to a complete or near-complete disregard of evidence.

[63] But even if an error is palpable, the judgment below does not necessarily fall. The error must also be overriding.

[64] “Overriding” means an error that affects the outcome of the case. It may be that a particular fact should not have been found because there is no evidence to support it. If this palpably wrong fact is excluded but the outcome stands without it, the error is not “overriding.” The judgment of the first-instance court remains in place.

[65] There may also be situations where a palpable error by itself is not overriding but when seen together with other palpable errors, the outcome of the case can no longer be left to stand. So to speak, the tree is felled not by one decisive chop but by several telling ones.

[Emphasis added]

C. *Analysis under subsection 16(3)*

[65] The TMOB conducted its confusion analysis based on paragraph 12(1)(d). The TMOB at para 80 of its Decision held its findings there were “equally applicable” to its analysis under subsection 16(3). As noted, I will review the issue of confusion in the context of the subsection 16(3) ground of appeal. The TMOB Decision contains additional reasons relating to subsection 16(3), which I will also review. In this connection I note that if the Applicant’s appeal based on subsection 16(3) is dismissed, it will not be necessary to consider the Applicant’s additional submissions under section 2 and paragraph 12(1)(d).

D. *Who is the consumer?*

[66] The parties addressed the issue of who is the consumer. Both the Applicant and the Respondent are manufacturers of diamond jewellery in this case, and of gold jewellery in the Related Gold Dispute. The Applicant in oral argument submitted the consumer perspective was that of a sophisticated retailer purchasing diamond jewellery on a wholesale basis in relatively large orders (“in bulk”) from either the Applicant or the Respondent, both sophisticated manufacturer and wholesalers. The Respondent on the other hand submits the consumer in issue is the ultimate purchaser from a retail store, and the test is one of first impression and imperfect recollection.

[67] The jurisprudence provides guidance in answering this question. The classic test from the Supreme Court of Canada as to who is the consumer is in *Veuve Clicquot Ponsardin v Boutiques Clicquot Ltée.*, 2006 SCC 23 [*Veuve Clicquot*]:

[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 *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...

[68] The Supreme Court of Canada confirms a “casual consumer” does not pause to give the marks detailed consideration, nor a side-by-side comparison as to the differences between the marks; see *Masterpiece Inc. v Alavida Lifestyles Inc.*, 2011 SCC 27 [Rothstein J] [*Masterpiece*]:

[83] Neither an expert, nor a court, should tease out and analyze each portion of a mark alone. Rather, it should consider the mark as it is encountered by the consumer — as a whole, and as a matter of first impression. In *Ultravite Laboratories Ltd. v. Whitehall Laboratories Ltd.*, 1965 CanLII 43 (SCC), [1965] S.C.R. 734, Spence J., in deciding whether the words “DANDRESS” and “RES DAN” for removal of dandruff were confusing, succinctly

made the point, at pp. 737-38: “[T]he test to be applied is with the average person who goes into the market and not one skilled in semantics.”

[Emphasis added]

[69] The Federal Court of Appeal in *Clorox* confirms the test is a matter of first impression of a casual consumer, and also states the consumer may be different in valuable or niche markets:

[32] There is no dispute between the parties as to the proper test for confusion. That test was set out by the Supreme Court in paragraph 20 of *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée.*, 2006 SCC 23, [2006] 1 S.C.R. 824:

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.

[33] The Federal Court was well aware of that test and indeed quoted that very same extract. It is also well established that when applying the test for confusion, the trier of fact must have regard to all the surrounding circumstances, including those specifically enumerated in subsection 6(5) of the *Act*. Again, this is precisely what the Federal Court did in the case at bar, stressing as Justice Rothstein did in *Masterpiece Inc. v. Alavida Lifestyles Inc.*, 2011 SCC 27, [2011] 2 S.C.R. 387 (at para. 49) [*Masterpiece*], that the most important criterion is that of resemblance between the marks.

[34] Clorox argued, however that the Federal Court erred in writing that a consumer “is not always hurried to the same extent” for valuable or niche market goods.

[35] I can see no error in that statement. Quite to the contrary, it is consistent with the decision of the Supreme Court in *Mattel*, according to which consumers will be more cautious and take more time in some circumstances:

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...

Mattel at para. 58, citing *General Motors Corp. v. Bellows*, 1949 CanLII 47 (SCC), [1949] S.C.R. 678.

[36] Contrary to Clorox's argument, the degree of care of the relevant consumer may vary with the circumstances, and the normal channels of trade for a particular good must also be taken into account. This is necessarily the case for JAVELO bleach, which must be ordered by tanker-truck quantities. The Federal Court could therefore take that factor into consideration in assessing the likelihood of confusion, and made no error of law in doing so.

[70] The casual consumer, in *Gemological Institute of America v Gemology Headquarters International*, 2014 FC 1153 [*Gemological*] [Kane J] was held to include both the retailed and end consumer:

[85] Moreover, the confusion is assessed from the perspective of the mythical customer or consumer (*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at paras 56-58, [2006] 1 SCR 772 [*Mattel*]); that consumer includes the whole range from the large wholesalers to jewellery makers to large and small retailers and ultimately the end consumer.

[71] Justice Rothstein in *Masterpiece* also provides guidance on who the consumer is:

[40] At the outset of this confusion analysis, it is useful to bear in mind the test for confusion under the *Trade-marks Act*. In *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, 2006 SCC 23, [2006] 1 S.C.R. 824, Binnie J. restated the traditional approach, at para. 20, in the following words:

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.

Binnie J. referred with approval to the words of Pigeon J. in *Benson & Hedges (Canada) Ltd. v. St. Regis Tobacco Corp.*, 1968 CanLII 1 (SCC), [1969] S.C.R. 192, at p. 202, to contrast with what is not to be done — a careful examination of competing marks or a side by side comparison.

[Emphasis added]

[72] I conclude the Supreme Court of Canada's definition of consumer in *Veuve Clicquot* is relevant in this case. Ultimately, the final purchaser of the diamond jewellery in this case, whether for his or her own personal enjoyment, or as a gift to yet another in the chain to final recipient, must in a case like this, be a highly important part of the consumer perspective analysis.

[73] As the Federal Court of Appeal in *Clorox* and Justice Kane in *Gemological* ruled, different consumers in a chain of recipients from manufacturer to ultimate consumer may pay more or less attention to differences, be they greater or smaller, between marks.

[74] Such circumstances are relevant and are to be considered, but at the end of the day, the test is that from *Veuve Clicquot* and more recently *Masterpiece*, namely one of first impression and imperfect recollection. In my view, this is particularly the case with diamond (or gold, or diamond and gold) jewellery. Thus, while a relevant circumstance will be the relationship, sophistication and expertise of a large retailer dealing with a large manufacturer/wholesaler, ultimately the perspective of their ultimate customers applies where, as in this case, the applicable test is that of first impression and imperfect recollection.

[75] In my view these TMOB's reasons set out the proper test for confusion in this case namely first impression and imperfect recollection:

[33] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that the use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the goods or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

[34] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; b) the length of time each has 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 trade-marks in appearance or sound or in the ideas suggested by them. These criteria are not exhaustive and it is not necessary to give each one of them equal weight [see, in general, *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, 1 SCR 772 (SCC) at para 54; *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, 49 CPR (4th) 401; and *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361].

[Emphasis added]

E. *Relevance and consideration of the decision(s) of the Examiner in this appeal*

[76] The Applicant asks the Court to consider the decision of the Examiner on the issue of whether or not to advance their proposed trade-marks applications to publication. It alleged the Examiner had allowed the mark to be published thus in finding no confusion, and as such should be considered as evidence contrary to the Decision of the TMOB.

[77] I have examined the record in this matter. In fact, the CTR shows the Examiner initially rejected FIRE AND ICE CANADIAN DIAMOND and Design for advertising because of confusion with Corona's GEOMETRIC Design mark [CTR pp. 177 to 181]. However, the Applicant made further submissions to the Examiner who subsequently allowed advertising [CTR, pp. 163 to 176]. While I agree the Examiner did agree to allow advertising, the Examiner's initial decision was against the Applicant. There were in fact two different decisions made by the Examiner. I agree the second, allowing advertising, differs from the TMOB Decision to refuse registration. However, the initial decision of the examiner is consistent with the Decision under appeal.

[78] In my respectful view, little if any weight should be given to either decision of the Examiner for several reasons. First, whatever the Examiner did between their initial refusal and subsequent acceptance for advertising took place ex parte, that is, it appears without the knowledge of or input from the Respondent. Secondly, the Examiner's reconsideration took place without the benefit of the evidence subsequently filed before the TMOB, which had considerably more information on which to base its Decision.

[79] Thus, I find the TMOB Decision substantially more informed, therefore more reliable, with the result that the Examiner's decisions one way or the other may not be considered determinative; instead they are spent once overtaken by the TMOB process.

[80] The Applicant relied on *Masterpiece* for the proposition a decision by the Examiner should be considered in this case. I disagree for several reasons. First, the facts are quite different

in *Masterpiece* from those in this appeal. In *Masterpiece*, the Examiner refused to send the mark for publication, denying the application, but gave written reasons for doing so. There was no TMOB hearing in *Masterpiece*. In the case at bar, the Examiner refused publication but after reviewing submissions from the Applicant, decided to allow publication. After publication, the full TMOB process was engaged resulting in the Decision under appeal not to grant registration.

[81] I note as well, the Federal Court of Appeal considered the relevance of an Examiner's decision in *Saint Honore Cake Shop Limited v Cheung's Bakery Products Ltd.*, 2015 FCA 12 [Boivin JA], also an appeal from a TMOB decision. The Federal Court of Appeal held there was no requirement to consider the Examiner's decision because (as in the case at bar) the case was distinguishable on the facts from *Masterpiece*, the Examiner's decision was in no way determinative, and the argument was misplaced and distinguishable:

39 Finally, the appellant argues before this Court that the judge failed to "consider the Registrar's decision at the Examination stage" to allow the appellant to publish its trade-marks for opposition. This, argues the appellant, is contrary to the Supreme Court of Canada decision in *Masterpiece* at paragraph 112 where it was found that the judge ought to have considered the examination decision as a relevant surrounding circumstance in the context of the confusion analysis.

40 The appellant's argument is misplaced and distinguishable given that the issue in *Masterpiece* concerned an expungement case where the Registrar's only decision available was that of the examiner. In the present case, there was a full Opposition Board proceeding. Unlike *Masterpiece*, where the examiner found confusion, and hence refused registration of Masterpiece Inc.'s marks, the examiner did not address the issue of confusion and her decision was in no way determinative (Appeal Book, Vol. 3A at 1482).

[Emphasis added]

[82] I therefore agree with the Respondent that I need not consider the Examiner's decisions. I also note this issue was not raised in the Notice of Application, nor in the Applicant's memorandum of fact and law, and it was addressed only in oral argument.

F. *Subsection 6(5) analysis, part 1*

[83] The TMOB assessed confusion in terms of each statutory factor set out in subsection 6(5), followed by consideration of additional circumstances. I will do the same and will consider and determine whether the TMOB made any palpable and overriding error(s) under the subsection 6(5) statutory factors. Because no additional evidence was admitted, the standard of review is not correctness but presumptively palpable and overriding error (*Clorox* at para 21). The Court will then stand back and determine whether, taken as a whole and in its entirety the Decision is flawed by a palpable and overriding error that goes to the very core of the outcome of the case such that the Decision must be set aside (*Clorox* at para 38).

[84] Before reviewing the confusion analysis, as will become clear, it is obvious the Applicant disagrees with the TMOB Decision in many respects. I am concerned the Applicant is attempting to re-litigate the case and to have this Court reweigh evidence on points in which it did not succeed below. However, this Court is reviewing the Decision on a standard of palpable and overriding error, This, and with respect, is a "steep hill to climb" as the Federal Court of Appeal stated in *Clorox*:

[38] The appellant now asks this Court to reweigh the evidence and to come to a different conclusion than that reached by the TMOB and the Federal Court. This is a steep hill to climb, considering that on questions of fact and of mixed fact and law, the standard of review is the standard of palpable and overriding error.

In other words, the appellant must convince this Court that the Federal Court made an error that is obvious and that goes to the very core of the outcome of the case: *Canada v. South Yukon Forest Corporation*, 2012 FCA 165 at para. 46, 431 N.R. 286. This is an even more deferential standard of review than the standard of reasonableness applied by the Federal Court.

[Emphasis added]

[85] This caution applies equally to this appeal from the TMOB to the Federal Court under section 56. To emphasize, on this section 56 appeal it is not enough for the Applicant to relitigate the case on a balance of probabilities as it did below. The Applicant must persuade this Court that the TMOB made an error that is obvious and goes to the very core of the outcome of the case, i.e., that the TMOB made a palpable and overriding error such that the tree falls per *Mahjoub* at para 61.

(1) Degree of Resemblance, per paragraph 6(5)(e)

[86] The Supreme Court of Canada in *Masterpiece* states the degree of resemblance is the statutory factor that is often likely to have the greatest effect on the confusion analysis under subsection 6(5), and is where a confusion analysis should start:

[49] In applying the s. 6(5) factors to the question of confusion, the trial judge conducted his analysis in the order of the criteria set forth in s. 6(5), concluding with a consideration of the resemblance between the marks. While it is no error of law to do so, the degree of resemblance, although the last factor listed in s. 6(5), is the statutory factor that is often likely to have the greatest effect on the confusion analysis (K. Gill and R. S. Jolliffe, *Fox on Canadian Law of Trade-marks and Unfair Competition* (4th ed. (loose-leaf)), at p. 8-54; R. T. Hughes and T. P. Ashton, *Hughes on Trade Marks* (2nd ed. (loose-leaf)), at §74, p. 939). As Professor Vaver points out, if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion. The other factors become

significant only once the marks are found to be identical or very similar (Vaver, at p. 532). As a result, it has been suggested that a consideration of resemblance is where most confusion analyses should start (*ibid.*).

[Emphasis added]

[87] An analysis of the degree of resemblance is required by para 6(5)(e):

What to be considered	Éléments d'appréciation
<p>(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances <u>including</u></p> <p>...</p> <p>(e) <u>the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.</u></p> <p>[Emphasis added]</p>	<p>(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y <u>compris:</u></p> <p>...</p> <p>e) <u>le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou dans les idées qu'ils suggèrent.</u></p> <p>[Je souligne]</p>

[88] In the case at bar, the TMOB held a resemblance analysis favours the Respondent.

Specifically, the TMOB agreed with the Respondent that the most striking feature of the Applicant's proposed DIAMOND Marks is the maple leaf design. The TMOB also concluded the Applicant's proposed maple leaf design bears "overwhelming visual similarities to the Opponent's GEOMETRIC Design mark." It found a "high degree of resemblance between these marks by virtue of the highly similarly stylized maple leaf designs."

[89] The TMOB determined:

[59] When considering the degree of resemblance between the marks, the law is clear that the marks must be considered in their totalities; it is not the correct approach to lay the trade-marks side by side and compare and observe similarities or differences among the elements or components of the marks. The Supreme Court of Canada in *Masterpiece*, supra advised that the preferable approach when comparing marks is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique.

[60] The Opponent submits that the dominant feature of the Applicant's DIAMOND Marks is the maple leaf design. The Opponent submits that this design would be the first element encountered when scanning the mark from left-to-right and top-to-bottom and the word element is set off a significant distance from the design, giving the impression of two distinct marks.

[61] The Opponent submits that the Applicant's DIAMOND Marks have appropriated the Corona GEOMETRIC Design mark almost in its entirety. The Opponent submits that its affiant Ms. Soare attests that she believes that the Applicant blatantly copied its GEOMETRIC Design mark with only slight modifications, the only modifications being the stretching of the leaves inward to bring their centre-points closer together, a slight upwards rotation of the side leaves, and the stem being changed from a solid triangle to a two-toned square. The Opponent submits that the similarities between the parties' marks include each having three distinct 3-point leaves each leaf forming a V-shape with centre points that do not touch and include a small stem. Further to this, the Opponent submits that the designs within both parties' marks are simultaneously suggestive of a maple leaf and a diamond.

[62] The Opponent submits that the Applicant's maple leaf design within the DIAMOND Marks is so close to the Opponent's CORONA Design mark, that the Applicant's maple leaf design would be perceived as simply a variant of the GEOMETRIC Design, which preserves the dominant features of that mark. The Opponent argues that this variation would meet the test of acceptable deviations [per *Promafil Canada Ltee v Munsingwear* (1992), 44 CPR (3d) 59 (FCA)], a higher threshold test, which would certainly meet the lower threshold likelihood of confusion test. The Opponent submits that the only other addition to the Applicant's DIAMOND Marks is the descriptive word elements "FIRE AND ICE CANADIAN DIAMOND" and "FIRE ON ICE CANADIAN DIAMOND". These elements, the Opponent submits heighten the likelihood of confusion in that they reinforce the idea

suggested by the design element, namely, the idea of a Canadian (maple leaf) diamond that has been mined in the icy north of the country. The Opponent submits that this is the same idea suggested by its CORONA Marks. Further to this, the Opponent submits that the average consumer somewhat in a hurry when faced with the Applicant's DIAMOND Marks would not recall whether its CORONA Marks were displayed proximate to similar descriptive wording.

[63] In any event, the Opponent submits, the marks do not need to be identical in order for confusion to be likely; it is sufficient if they suggest the same idea [citing *Marathon Lawn Services Ltd v Lawn Medic Inc* (1984), 75 CPR (2d) 206]. Furthermore, the Opponent submits, even if the design elements of the parties' marks are held to lack inherent distinctiveness, this does not eliminate the likelihood of confusion [citing *Reynolds Consumer Products Inc. v PRS Mediterranean Ltd* (2013), 111 CPR (4th) 155].

[64] The Applicant on the other hand, submits that there are significant differences between the parties' marks. To begin with, and contrary to the Opponent's view, the Applicant submits that the words FIRE AND ICE and FIRE ON ICE are a striking and dominant feature of its marks. The Applicant submits that the only commonality between the wording in the DIAMOND Marks and the Opponent's word mark is the word DIAMOND which is descriptive of the goods.

[65] Further to this, the Applicant submits that the design elements of the parties' marks are very different. In this regard, the Applicant submits that the Opponent's GEOMETRIC Design is made of four distinct parts that do not connect, leaving noticeable white space in the middle of the mark, while the maple leaf in the DIAMOND Marks is two-toned and the different sections of the maple leaf join together in the middle. In addition, the Applicant submits, the overall shape of the designs is different; the Applicant's being more triangular, while the Opponent's is more of a square.

[66] The Applicant submits that there are no similarities between the parties' marks other than the suggestion of a maple leaf, which is highly suggestive, inherently weak, commonly used by various other traders and cannot be monopolized by the Opponent. Therefore, the Applicant submits, the degree of resemblance, whether visual, aural or in the idea suggested between the parties' marks is non-existent.

[67] To the extent that both parties' marks suggest diamonds and jewellery originating in Canada, I do not consider that either party would be entitled to a monopoly in respect of such an idea as applied to the respective goods of the parties. Thus, while the idea expressed between the parties' marks is similar, there is virtually no visual resemblance between the Applicant's DIAMOND Marks and the Opponent's MAPLE LEAF DIAMONDS mark. However, I agree with the Opponent that the most striking feature of the Applicant's DIAMOND Marks is the maple leaf design, which in my view bears overwhelming visual similarities to the Opponent's GEOMETRIC Design mark. Accordingly, with respect to the Applicant's DIAMOND Marks and the Opponent's GEOMETRIC Design mark, while the marks do not bear resemblance phonetically, I assess that there is a high degree of resemblance between these marks by virtue of the highly similarly stylized maple leaf designs [see *Maxwell Taylor's Restaurants Inc v TGI Friday's Inc* (1994), 55 CPR (3d) 125 (TMOB)].

[Emphasis added]

[90] In my view, the TMOB recognized a central dispute between the parties on the issue of resemblance, namely that the GEOMETRIC Design mark is a design mark i.e., a mark without words, while the DIAMOND Marks are composite marks, i.e., marks with a design and words. The Applicant submits the TMOB paid excessive attention to the design and insufficient attention to the words of the DIAMOND Marks.

[91] In my view, the Applicant oversimplifies what the TMOB found, and misses a key factor in a resemblance analysis, namely the need to identify and consider the most distinctive, striking, or dominant element of a competing trade-marks where possible. The identification of the most distinctive, striking or dominant element of a trade-mark is required by *Masterpiece*, which held that a decision maker must first consider whether there is an aspect of the trade-mark that is particularly striking or unique. Justice Rothstein for the Supreme Court of Canada stated in particular:

[62] Resemblance is defined as the quality of being either like or similar; see *Shorter Oxford English Dictionary on Historical Principles* (5th ed. 2002), at p. 2544, under the definition of “resemblance”. The term “degree of resemblance” in s. 6(5)(e) of the Act implies that likelihood of confusion does not arise solely from identical trade-marks. “[D]egree of resemblance” recognizes that marks with some differences may still result in likely confusion.

[63] The first word in both Alavida’s and Masterpiece Inc.’s trade-marks is the identical word “Masterpiece”. It has been held that for purposes of distinctiveness, the first word is important (see *Conde Nast Publications Inc. v. Union des éditions modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.), at p. 188, *per* Cattanach J.).

[64] While the first word may, for purposes of distinctiveness, be the most important in some cases, I think a preferable approach is to first consider whether there is an aspect of the trade-mark that is particularly striking or unique. Here there is nothing striking or unique about the word “Living” or the words “the Art of Living”. “Masterpiece” is the word that distinguishes Alavida and Masterpiece Inc. from other sources of retirement residence services. It is a reasonable conclusion that “Masterpiece” is the dominant word in these trade-marks, and it is obviously identical as between Alavida and Masterpiece Inc. By the same token, in the context of the retirement residence industry, the idea evoked by the word “Masterpiece”, high quality retirement lifestyle, is the same for both Alavida and Masterpiece Inc. Finally, the word “Living” is identical as between the Alavida and Masterpiece Inc. trade-marks.

[65] Given these striking similarities, it is, in my respectful view, very difficult not to find a strong resemblance as a whole between the two, Masterpiece Inc.’s trade-marks and Alavida’s trade-mark.

[Emphasis added]

[92] The TMOB followed the process set out in *Masterpiece* as may be seen in the following:

[67] [...] Thus, while the idea expressed between the parties’ marks is similar, there is virtually no visual resemblance between the Applicant’s DIAMOND Marks and the Opponent’s MAPLE LEAF DIAMONDS mark. However, I agree with the Opponent that the most striking feature of the Applicant’s DIAMOND Marks is the maple leaf design, which in my view bears overwhelming

visual similarities to the Opponent’s GEOMETRIC Design mark. Accordingly, with respect to the Applicant’s DIAMOND Marks and the Opponent’s GEOMETRIC Design mark, while the marks do not bear resemblance phonetically, I assess that there is a high degree of resemblance between these marks by virtue of the highly similarly stylized maple leaf designs [see *Maxwell Taylor ‘s Restaurants Inc v TGI Friday’s Inc* (1994), 55 CPR (3d) 125 (TMOB)].

[Emphasis added]

[93] I am unable to find the TMOB committed palpable and overriding error by following this approach. Nor, with respect, did the TMOB commit a palpable and overriding error in concluding the most striking feature of the Applicant’s DIAMOND Marks is the maple leaf design. That finding was open to it based on the record before it and in its considered Decision on those facts, the TMOB did not disregard any evidence and its Decision was not illogical per *Mahjoub* at para 62. Nor am I persuaded the TMOB committed a palpable and overriding error in determining that the Applicant’s design “bears overwhelming visual similarities” to the Respondent’s GEOMETRIC Design mark. In my view, that finding is within the scope of the TMOB’s role assessing the evidence before it and bringing to bear its expertise, discretion and judgment.

[94] The Applicant in its Notice of Application submits the TMOB erred as follows:

12(j) despite finding that terms FIRE AND ICE and FIRE ON ICE had no clear meaning and possessed “a higher level of overall inherent distinctiveness” than the design element in the Applicant’s FIRE AND ICE Marks, finding that the most striking feature of each of the FIRE AND ICE Marks was the “design element”.

[95] I am unable to fault the TMOB for having made a palpable and overriding error in this connection.

[96] The Applicant in its Notice of Application submits the TMOB erred in:

12(h) finding that there was a high degree of resemblance between the GEOMETRIC Design and the FIRE Marks.

[97] With respect, as indicated above, I am unable to find palpable and overriding error in the TMOB's assessment that there is a "high degree of resemblance between these marks by virtue of the highly similarly stylized maple leaf designs." That determination was open to the TMOB on the record before it and in its discretion, skill and judgment. The determination was not made without evidence or with a disregard of evidence and was not illogical per *Mahjoub* at para 62. With respect, the correct legal test was applied to the facts of this case, and in my view, the Applicant simply disagrees with the assessment of the evidence.

[98] The Applicant notes and I agree with *American Cyanamid Co. v Record Chemical Co.*,

[1972] FC 1271 (Fed TD) [Noël ACJ], aff'd 14 C.P.R. (2d) 127 (Fed CA) [*American Cyanamid*]

at para 12:

12 No doubt, in the case of weak marks or of marks possessing little inherent distinctiveness, small differences may be accepted to distinguish one from the other, but this does not mean that any such weak portions of a mark must be discounted in so distinguishing.

[99] However, in my respectful view *American Cyanamid* does not displace or contradict the ultimate conclusion on resemblance arrived at on the facts in this case, particularly given the TMOB's reliance on *Masterpiece*.

[100] I note as well the TMOB favoured the Respondent on resemblance in terms of "idea suggested" per paragraph 6(5)(e), finding "the idea expressed between the parties' marks is similar" at para 67 of its reasons. The TMOB also applied the law to the facts and recognized the marks "do not bear resemblance phonetically." Neither of these findings are flawed by palpable and overriding error.

[101] The Applicant alleges in ground 12(k) in its Notice of Application that the TMOB erred in "finding that the parties' trademarks 'do not bear resemblance phonetically' and yet making a finding of a likelihood of confusion between the parties' trademarks", however I am not persuaded. Phonetic resemblance is but one of a great many factors that enter this confusion analysis. As noted, in some respects, the TMOB held in favour of the Applicant and in others it held in favour of the Respondent. What matters is there may not be a side-by-side analysis (there was none) and that the TMOB assesses each marks in its totality, bearing in mind certain aspects such as distinctiveness (*Mattel, Inc. v 3894207 Canada Inc.*, 2006 SCC 22 [*Mattel*]) and resemblance (*Masterpiece*) may and often are more important than other factors (it is noteworthy the TMOB found both these favoured the Respondent). This is not the only instance in which the TMOB sided with the Applicant; the difficulty with the Applicant's position is that it suggests it should have succeeded because it succeeded on one point whereas it is the totality of the case that ultimately must be, and was, considered by the TMOB.

[102] The Applicant argues the TMOB erred in comparing only the individual elements of the marks while ignoring their distinctive elements and failing to consider the marks as a whole, as required in the confusion analysis. The Applicant submits given the substantial differences visually, aurally and in the ideas suggested between the DIAMOND Marks and the CORONA Marks, especially the GEOMETRIC Design, this factor strongly favours the Applicant. Given this factor is the most important in the confusion analysis, the Applicant submits there is no likelihood of confusion.

[103] The Applicant in its Notice of Application submits the TMOB erred as follows:

12(i) despite stating that the parties' respective trademarks should be considered in their totalities and not be compared side-by-side, only comparing the individual design elements of the parties' trademarks.

[104] I am unable to agree with this submission. The TMOB on this record was entitled to find as it did given these factors, and I am unable to find that the TMOB simply conducted a side-by-side analysis. I agree the TMOB dealt with a large number of issues, but it seems axiomatic that the more issues a TMOB is asked to resolve, the more issues it will discuss. That does not constitute a side-by-side analysis; this case demonstrates the TMOB did what it is supposed to do, namely to set out, consider and make findings on the issues on which the parties disagree. In my view, the TMOB approached the confusion analysis in an entirety and totality basis, as required. The analysis was not illogical and was with regard to the evidence per *Mahjoub* at para 62. There is no palpable and overriding error in this respect.

[105] Looking at the resemblance 6(5)(e) aspect of the confusion analysis, I am not persuaded the TMOB committed palpable and overriding error.

- (2) Inherent distinctiveness and extent to which the marks have become known, per paragraph 6(5)(a)

[106] Paragraph 6(5)(a) states:

What to be considered

(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;

[Emphasis added]

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(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :

a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;

[Je souligne]

[107] Like resemblance, distinctiveness is a very important aspect of trade-mark law. While *Masterpiece* says at para 49 that resemblance is “often likely to have the greatest effect on the confusion analysis”, *Mattel* at para 75 states that “distinctiveness is of the very essence and is the cardinal requirement of a trade-mark”. The TMOB held in favour of the Respondent on its distinctiveness analysis per paragraph 6(5)(a). I agree with the Applicant that distinctiveness requires consideration of both the inherent distinctiveness of the mark and the extent to which

the mark has acquired distinctiveness through its use in the marketplace: *United Artists Corp. v Pink Panther Beauty Corp.*, [1998] FCJ No. 441 (CA) [Linden JA]:

[23] The first item listed under subsection 6(5) is the strength of the mark. This is broken down into two considerations: the inherent distinctiveness of the mark, and the acquired distinctiveness of the mark. Marks are inherently distinctive when nothing about them refers the consumer to a multitude of sources. Where a mark may refer to many things or, as noted earlier, is only descriptive of the wares or of their geographic origin, less protection will be afforded the mark. Conversely, where the mark is a unique or invented name, such that it could refer to only one thing, it will be extended a greater scope of protection.

[Emphasis added]

[108] Applying this law to the facts of this case, the TMOB ruled in favour of the Respondent on distinctiveness per paragraph 6(5)(a), and did so in the following analysis:

[35] The overall consideration of the section 6(5)(a) factor, involves a combination of inherent and acquired distinctiveness of the parties' marks.

[36] The Applicant's DIAMOND Marks consist of a stylized maple leaf design and the words "FIRE AND ICE CANADIAN DIAMOND" or "FIRE ON ICE CANADIAN DIAMOND". On the other hand, one of the Opponent's CORONA Marks, the GEOMETRIC Design also consists of a stylized maple leaf design, while the other mark relied upon consists only of the words MAPLE LEAF DIAMONDS.

[37] The Applicant submits, and I agree, that the Opponent's MAPLE LEAF DIAMONDS mark is a weak mark being highly suggestive of both the Opponent's goods and their geographic origin, that is, diamonds and jewellery originating in Canada [citing *Gemme Canadienne PA Incorporated v 844903 Ontario Limited (Corona Jewellery Company)*, 2007 CanLII 81543, at para 20]. The Applicant further submits that the Opponent's GEOMETRIC Design mark possesses little inherent distinctiveness in that it is simply a variation of the Canadian maple leaf, which also according to *Gemme* is highly suggestive of the geographic origin of the Opponent's goods and is, therefore, also a weak mark.

[38] The Applicant submits that the inherent weakness of the Opponent's CORONA Marks is further supported by state of the register evidence provided under the Anastacio affidavit, which demonstrates numerous marks already co-existing on the register that comprise the words "MAPLE LEAF" or a maple leaf design in association with diamonds, jewellery and related goods and services. I will address this evidence later under additional surrounding circumstances.

[39] Also in this vein, the Applicant notes the state of the register and marketplace evidence filed by the Opponent itself, previously in *Gemme, supra* to further support its submission that the Opponent cannot monopolize the words MAPLE LEAF or the maple leaf design, which is already commonly used by third party traders in the jewellery business. The Applicant further submits that based on the evidence and argument made by the Opponent in *Gemme*, the Opponent was successful in demonstrating that its MAPLE LEAF DIAMONDS mark was not confusing with a trademark comprising a maple leaf design in respect of similar goods. However, the Applicant submits that despite the above, the Opponent now claims that the Applicant's DIAMOND Marks, merely because they comprise a maple leaf image, are confusing with the Opponent's CORONA Marks. However, I note that in *Molson Breweries v Labatt Brewing Co (1996)*, 68 CPR (3d) 202 at 212-213 (FCTD), where one party argued that a prior inconsistent position taken by the other party was a relevant surrounding circumstance in assessing the likelihood of confusion, the Court said: "In my view, this circumstance is not relevant in determining whether the two trade-marks at issue are confusing. Regardless of the previous positions taken by Labatt, I must come to a determination as to confusion that is in accordance with the law and relevant jurisprudence."

[40] In any event, the Applicant submits that in contrast to the Opponent's CORONA Marks, its DIAMOND Marks contain distinctive elements in addition to the maple leaf design. In particular, the Applicant submits that the words FIRE AND ICE and FIRE ON ICE are dominant, distinctive features of the marks and the juxtaposition of the words "fire" and "ice" creates an image that is likely to leave a lasting impression on consumers.

[41] The Opponent submits that the Applicant's argument that the Opponent's GEOMETRIC Design mark is not distinctive because it is a variant of the maple leaf is too simplistic an analysis without looking at the stylized elements of the mark. In particular, the Opponent submits, the present case is distinguishable from *Gemme, supra*, in that its GEOMETRIC Design mark is not a

standard, eleven point maple leaf, and the design is simultaneously suggestive of a diamond and a maple leaf; a highly stylized design making it unique and distinctive. While the representation of a maple leaf, in itself, is not inherently distinctive [see *Maple Leaf Gardens, Limited v Barbarian Sportswear Mfg Ltd*, 1994 CanLII 10101], I accept that the stylized maple leaf design provides some measure of inherent distinctiveness to the Opponent's GEOMETRIC Design mark.

[42] In addition, the Opponent submits that the state of the register and marketplace evidence submitted in *Gemme* to support the Board's inference that the image of the maple leaf is a fairly ubiquitous feature of trade-marks in the Canadian marketplace, dates back to 2006, and is therefore no longer relevant to these proceedings. I agree, and as previously indicated, I will discuss the state of the register evidence submitted in the present proceedings under additional circumstances.

[43] The Opponent submits that the extent to which the Applicant's DIAMOND Marks are inherently distinctive, it is because they are essentially a direct copy of its GEOMETRIC Design mark. Moreover, the Opponent submits, the wording FIRE AND ICE and FIRE ON ICE adds little inherent distinctiveness as it is descriptive. That is, the Opponent submits, the word "fire" refers to a characteristic of diamonds generally, namely, the extent to which a diamond breaks down light into its component colours, and the word "ice" refers to a geographic location from which the Applicant's diamonds originate, namely, northern Canada. The Opponent further submits that "ice" is also a colloquial expression for diamonds.

[44] I accept that the maple leaf design element of the Applicant's DIAMOND Marks possess the same degree of inherent distinctiveness as the Opponent's GEOMETRIC Design mark by virtue of their stylized designs.

[45] I have already found the Opponent's MAPLE LEAF DIAMONDS word mark to have little inherent distinctiveness. Similarly, with respect to the word elements of the Applicant's DIAMOND Marks, the words CANADIAN DIAMOND are clearly descriptive of the place of origin of the Applicant's diamonds and therefore add little to the inherent distinctiveness of the marks. However, with respect to the words FIRE AND ICE and FIRE ON ICE, although FIRE and ICE are ordinary dictionary words, no evidence has been furnished to support that the average Canadian consumer would be aware that FIRE refers to "the extent to which a diamond breaks down light into component colours".

Furthermore, there is no evidence to suggest that ICE would be recognized as a reference to “a geographic location from which the Applicant’s diamonds originate, namely, northern Canada” or as a reference to diamonds as the Opponent suggests. Although, I note that several dictionary sources indicate that ICE is a slang term for diamonds [see the Canadian Oxford Dictionary 2nd edition and the Merriam-Webster Dictionary, online at www.merriam-webster.com; see also *Tradall SA v Devil’s Martini Inc*, 2011 TMOB 65, 92 CPR (4th) 408 (TMOB) at para 29, which confirms that I may take judicial notice of dictionary definitions]. In the end however, there is no evidence of any clear meaning of the phrases FIRE AND ICE and FIRE ON ICE; however, when used in a trade-mark for diamonds, as noted in *Worldwide Diamond Trademarks Limited v De Trung Vo*, 2016 TMOB 20 (CanLII) “may be considered by consumers to evoke the idea of the sparkle of diamonds”. As such, I consider that the Applicant’s, DIAMOND Marks possess a higher level of overall inherent distinctiveness.

[46] Nonetheless, the strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use.

[47] The Opponent submits that its GEOMETRIC Design mark is iconic. With respect to acquired distinctiveness, the Opponent submits that the Board found in the *Gemme* case that its MAPLE LEAF DIAMOND mark had acquired a significant reputation [*Gemme*, para 20]. The Opponent submits that this reputation has since increased, with 13 years of use of this mark. The Opponent submits that its evidence shows extensive use of its CORONA Marks, and through such use, the Opponent’s CORONA Marks have become well known across Canada.

[48] The Applicant submits however, that it is unclear from the evidence how long the Opponent’s CORONA Marks have been in use. The Applicant submits that although Ms. Soare attests that the Opponent actually commenced use of the CORONA Marks in Canada with at least some of the goods and services as early as January 2003, she does not specify which goods and services. As for the extent of use of the Applicant’s DIAMOND Marks, while the Applicant did not file any evidence of use itself in the current proceedings, it relies instead on the Exhibits to the Vaccaro affidavit (as filed by the Applicant in opposition proceedings for its application No. 1,593,806 and filed as evidence by the Opponent in the current proceedings), which contain copies of promotional materials bearing the DIAMOND Marks from at least as early as 2013. Whether I could afford any weight to this evidence is ultimately immaterial, as any inference as to the extent of use,

promotion and making known of the DIAMOND Marks would still be insufficient in comparison to the Opponent's CORONA Marks.

[49] Indeed, the Opponent's evidence clearly shows use of the CORONA Marks in association with the jewellery (including gold and diamond jewellery) since at least as early as 2004. In this regard, among other evidence, Ms. Soare has clearly attested that the Opponent's MAPLE LEAF DIAMONDS and GEOMETRIC Design branded goods have been carried in excess of 100 retail stores in all provinces of Canada since 2004, has provided significant sales figures and advertising expenditures, and examples of use of the CORONA Marks in association with jewellery (including gold and diamond jewellery). As such, I accept that the Opponent's CORONA Marks have become known to a much greater extent throughout Canada.

[50] Given the extensive use and marketing and promotion over the years of the Opponent's CORONA Marks, and that I consider the Applicant's DIAMOND Marks to have only a slightly greater degree of inherent distinctiveness, I find this factor, on balance, favours the Opponent.

[Emphasis added]

[109] The TMOB found per paragraph 6(5)(a) that inherent distinctiveness favours the Applicant. The TMOB also found the evidence favoured the Respondent in terms of acquired distinctiveness, because of the “extensive use and marketing and promotion over the years of the Opponent's CORONA Marks”, and because “the Applicant's DIAMOND Marks ... have only a slightly greater degree of inherent distinctiveness.”

[110] In its analysis, the TMOB found the design component of both marks consists of a stylized maple leaf. It agreed with the Applicant that the Respondent's MAPLE LEAF DIAMONDS word mark is weak due to its suggestion of the Respondent's goods and geographic origin.

[111] The Applicant in its Notice of Application submits the TMOB erred as follows:

12(b) finding that Corona's prior inconsistent position on the distinctiveness of its GEOMETRIC Design was irrelevant to the finding of a likelihood of confusion.

[112] In my respectful view, there is no merit in this submission. The TMOB noted the Respondent advanced a different position from the one it advanced in *Gemme Canadienne PA Inc. v 844903 Ontario Ltd.*, 2007 CanLII 81543 (TMOB) [*Gemme*], but held it was not a relevant consideration per the jurisprudence, *Molson Breweries v John Labatt Ltd.*, [2003] 3 FC 145 (CA) [*Molson*], because parties are entitled to address each case in accordance with the law and relevant jurisprudence. The analysis of the TMOB was not illogical and was not made without evidence per *Mahjoub* at para 62. This is not a palpable and overriding error.

[113] The Applicant in its Notice of Application submits the TMOB erred as follows:

12(d) finding that Corona's GEOMETRIC Design had "some measure of inherent distinctiveness";

12(e) not finding that Corona's GEOMETRIC Design was weak for being highly suggestive of Corona's goods and their geographic origin.

[114] In my view, neither of these submissions have merit. The TMOB accepted the stylized maple leaf design provides some measure of inherent distinctiveness of the GEOMETRIC Design mark, and came to the same conclusion regarding the Applicant's DIAMOND Marks. The TMOB found the inclusion of the phrases FIRE AND ICE and FIRE OR ICE resulted in the DIAMOND Marks possessing a higher degree of overall inherent distinctiveness.

[115] The Applicant further submitted in its Notice of Application that the TMOB erred in:

12(f) finding that Corona's GEOMETRIC Design had acquired distinctiveness despite the date of first use of the mark were unclear in the Soare Affidavit;

...

12(n) finding that not only had Corona's GEOMETRIC Design been used in Canada, but it had become "well-known with respect to jewellery, including gold and diamond jewellery".

[116] There is no merit to either of these submissions. They both entail findings of fact made on the evidence by the TMOB. In assessing distinctiveness, the TMOB held the strength of a trade-mark may be increased by it becoming known in Canada through promotion or use. This is well established. The TMOB concluded any evidence of use of the DIAMOND Marks, of which there was none at the material date under subsection 16(3), would be insufficient compared to the CORONA Marks such that use favoured the Respondent.

[117] Indeed, the TMOB continued its review of acquired distinctiveness, and concluded on the record that the Respondent's CORONA Marks had become known to a much greater extent throughout Canada than the Applicant's proposed marks. As noted there was no evidence of use of the DIAMOND Marks at or before the material date of filing per subsection 16(3), i.e., as of February 22, 2013.

[118] In this connection, the TMOB held CORONA Marks' branded goods have been carried in an excess of 100 retail stores in all provinces of Canada since 2004. The TMOB found that the Respondent had provided "significant sales figures and advertising expenditures, and examples of use of the CORONA Marks in association with jewellery (including gold and diamond

jewellery).” It held the Respondent’s evidence “clearly shows use” of the CORONA Marks in association with the jewellery, including gold and diamond jewellery, “since at least as early as 2004.” There is no palpable and overriding error in connection with these two alleged errors; the holding are not illogical and were made with regard to the evidence per *Mahjoub* at para 62.

[119] Ultimately the TMOB concluded that given the extensive use and marketing and promotion over the years of the Respondent’s CORONA Marks, and considering the Applicant’s DIAMOND Marks to have only a slightly greater degree of inherent distinctiveness, the paragraph 6(5)(a) factors of inherent distinctiveness on balance favoured the Respondent.

[120] The Applicants relied on *Gemme* in which the TMOB held that trade-marks including a diamond design and/or a maple leaf possessed little inherent distinctiveness. In that case, the Respondent’s application for the GEOMETRIC Design was opposed and the TMOB granted registration notwithstanding:

[20] The opponent’s design mark possesses little inherent distinctiveness as the diamond design component of the mark is suggestive of the applicant’s wares and services, that is, of jewellery and precious or semi-precious gems. The other design component of the mark namely, the image of the maple leaf, is symbolic of Canada and, as may be inferred from Ms. McDonald’s evidence is a fairly ubiquitous feature of trade-marks in the Canadian marketplace. Thus, the opponent’s mark is a relatively weak mark.

[121] The Applicant submits it is not clear from the Respondent’s evidence when the GEOMETRIC Design was first used and with which goods. In my view, this argument is answered by the TMOB in its reasons which state: “Ms. Soare provides evidence of use and promotion of the CORONA Marks in Canada since 2003, with extensive promotion commencing

in 2004". In my view, this finding is supported by the record before the TMOB, namely the Soare 2015 Affidavit, which showed the Respondent began using the CORONA Marks as early as 2003, had its products in over 950 retail stores since 2009, had been spending over \$300,000 per year since 2004 promoting and advertising the products in association with the GEOMETRIC Design and spent in excess of \$400,000 since 2008 on jewellery boxes, bags etc. displaying the GEOMETRIC Design and circulated millions of catalogues displaying the GEOMETRIC Design. With respect, the TMOB made no palpable or overriding error in this respect.

[122] In summary, I am not persuaded by the Applicant, who has the burden on this point, that the paragraph 6(5)(a) distinctiveness analysis is flawed by palpable or overriding error. It is apparent from the foregoing that the TMOB conducted a thorough and balanced analysis of the competing claims. There were some elements of the paragraph 6(5)(a) analysis that favoured the Applicant, while others favoured the Respondent. In my respectful view, the TMOB addressed the issues raised by the parties and assessed and weighed the evidence before her and exercised her judgment and discretion considering the facts as found. The TMOB as trier of this aspect of confusion is entitled to a high degree of deference in this respect (per Stratas JA in *Mahjoub* at para 61 and *Clorox* at para 38) and is not illogical or made with disregard of evidence per *Mahjoub* at para 62. I am unable to see any palpable and overriding error on this point in the confusion analysis.

- (3) Length of time each mark has been in use, per paragraph 6(5)(b)

[123] Paragraph 6(5)(b) states another factor to consider is the length of time each mark has been in use:

What to be considered	Éléments d'appréciation
<p>(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances <u>including</u></p> <p>...</p> <p>(b) the <u>length of time</u> the trade-marks or trade-names <u>have been in use</u>;</p> <p>[Emphasis added]</p>	<p>(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, <u>y compris</u>:</p> <p>...</p> <p>b) la <u>période pendant laquelle</u> les marques de commerce ou noms commerciaux <u>ont été en usage</u>;</p> <p>[Je souligne]</p>

[124] The TMOB found length of use “strongly favoured” the Respondent. This is an important conclusion in support of the Respondent. It is also inevitable given the CORONA Marks had been in use since as early as January 2003, and quite extensively since 2004, while the Applicant conceded it had made no use of the proposed DIAMOND Marks prior to the filing date of February 22, 2013, some nine or ten years later. Even then, the Applicant did not use its proposed DIAMOND Marks for another four months after filing. The TMOB found in favour of the Respondent as follows:

[51] Having regard to my analysis under section 6(5)(a) of the Act, I conclude that the Opponent has shown use of its CORONA

Marks in association with jewellery (including gold and diamond jewellery) over a much lengthier period of time.

[52] Accordingly, I find that this factor strongly favours the Opponent.

[125] The evidence in the Soare 2015 Affidavit adequately supports the TMOB finding of use as early as 2004. For example, Ms. Soare deposes at para 8, that “extensive use of the Corona Trade-Marks began in 2004.” In the same paragraph, it is noted the declaration of use for the Respondent’s GEOMETRIC Design registration was filed in 2006, and for the mark MAPLE LEAF DIAMONDS registration was filed in 2007. This evidence was uncontested before the TMOB.

[126] In my respectful view, the TMOB finding respecting comparative use is supported by the record before it. Therefore, I am unable to find palpable or overriding error in the TMOB’s conclusion regarding paragraph 6(5)(b).

(4) Nature of the goods and channels of trade, per paragraphs 6(5)(c) and (d)

[127] Both paragraphs 6(5)(c) and (d) were argued together by both parties and decided together by the TMOB. These paragraphs state:

What to be considered

(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

Éléments d’appréciation

(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les

circonstances de l'espèce, y
compris :

...

...

(c) the nature of the goods,
services or business;

c) le genre de produits,
services ou entreprises;

(d) the nature of the trade;
and

d) la nature du commerce;

[Emphasis added]

[Je souligne]

[128] In connection with paragraphs 6(5)(c) and (d), the TMOB again found in favour of the Respondent:

[53] It is the Applicant's statement of services as defined in its application versus the Opponent's registered goods and services that govern my determination of this factor [see *Esprit International v Akohol Countermeasure Systems Corp* (1997), 84 CPR (3d) 89 (TMOB)]. These statements must be 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. However, evidence of the parties' actual trades is useful in this respect [*McDonald's Corp v Coffee Hut Stores Ltd* (1996), 68 CPR (3d) 168 (FCA)].

[54] There does not appear to be any dispute between the parties that the nature of their goods and the nature of their business or trade is the same.

[55] The Applicant however submits that both it and the Opponent are in the jewellery business selling products that customers purchase with considerable thought and attention to detail. Accordingly, the Applicant submits, customers purchasing goods from the Applicant are likely to pay close attention to what they are purchasing and are less likely to be confused into thinking these goods are manufactured, sold or otherwise associated with the Opponent. The Applicant once again relies on *Gemme, supra*, in that it was decided in that case that despite the fact that the Applicant and Opponent were both operating in the jewellery business, there was no likelihood of confusion between the parties' marks and the opposition was rejected.

[56] The Opponent disagrees and submits that diamonds and jewellery can be emotional and impulse purchases and not all consumers give the same attention to detail. The Opponent cites *Masterpiece* for the proposition that irrespective of the price of the goods, confusion is still a matter of first impression.

[57] Even if the parties' goods are expensive, Justice Rothstein confirms in *Masterpiece* that although consumers in the market for expensive goods may be less likely to be confused, the test is still one of first impression. Justice Senegal of the Superior Court of Quebec in *De Grandpre Joli-Coeur v De Grandpre Chait* (2011) 94 CPR (4th) 129 summarizes the Supreme Court of Canada's discussion on this point in *Masterpiece* as follows at para 97-98:

In *Masterpiece*, the Supreme Court stated that it is an error to believe that, since consumers of expensive goods and services generally take considerable time to 'inform themselves about the source of those goods and services, there is a reduced likelihood of confusion. Confusion must instead be assessed from the perspective of the first impression of the consumer approaching a costly purchase when he or she encounters the trade-mark. It is not relevant that consumers are unlikely to make choices based on first impressions or that they will generally take considerable time to inform themselves about the source of expensive goods and services. 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 the view of the Supreme Court, consideration must be limited to how a consumer with an imperfect recollection of a business's mark would have reacted upon seeing the other company's mark. The question of cost is unlikely to lead to a different conclusion in cases where a strong resemblance suggests a likelihood of confusion and the other factors set out in subsection 6(5) of the Act do not point strongly against a likelihood of confusion.

[my emphasis]

[58] Having regard to the aforementioned, I find these factors favour the Opponent.

[Emphasis added]

[129] In essence, the TMOB found the nature of the parties' goods and the nature of their business and trade were the same, and thus these two factors favoured the Respondent. In my view, there is no palpable and overriding error in this respect. The finding is not illogical or made without evidence per *Mahjoub* at para 62.

[130] I have already considered the issue of who the consumer is and would repeat it here: see above at paras 66 to 75, under the heading "Who is the consumer?"

[131] In this connection, it is trite to observe that where products bearing marks that resemble each other are of the same nature and are sold in the same markets, the likelihood of confusion heightens. That is why the TMOB favoured the Respondent when considering the nature of the goods and the nature of the trade.

[132] I see no palpable or overriding error in the TMOB accepting the Supreme Court of Canada's guidance on the test for confusion being one of first impression and imperfect recollection. Ultimately, these two determinations must be made by TMOB in its judgment and discretion supported by the record and in accordance with law. In my view, the TMOB considered the submissions of the parties, the nature of the marketplace and the nature of the goods, and came to a conclusion open to it on the record. I note as well the TMOB found "there does not appear to be any dispute between the parties that the nature of their goods and the nature

of their business or trade is the same.” I am not persuaded the TMOB’s reasons concerning paragraphs 6(5)(c) and (d) are flawed by palpable or overriding error.

(5) Surrounding Circumstances

(a) *State of the Register*

[133] Subsection 6(5) permits the Court to look at factors in addition to those set out in paragraphs 6(5)(a) - (e). One surrounding circumstance frequently reviewed is the state of the register of trade-marks. This was reviewed by the TMOB, which again found in favour of the Respondent. The TMOB’s analysis starts by noting the limited relevance the case law gives to evidence based on the register. It is only where “large numbers of relevant registrations are located” that inferences about the state of the market may be drawn:

[68] State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace, and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located. [*Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432; *Del Monte Corporation v Welch Foods Inc* (1992), 44 CPR (3d) 205 (FCTD); *Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA)].

[69] The Applicant submits that the state of the register evidence filed under the Anastacio affidavit demonstrates that numerous marks already co-exist on the register that comprise the words “MAPLE LEAF” or a maple leaf design in association with diamonds, jewellery and related goods and services.

[70] While there are large numbers of maple leaf marks on the register, I agree with the Opponent that this evidence does not assist the Applicant as the marks located cover non-overlapping goods and services with different channels of trade, refer to marks that are inactive applications/registrations, and/or do not so closely resemble the Opponent’s GEOMETRIC Design mark.

[71] Indeed, I find the current situation to be highly similar to that found in *Mainstreet Equity Corp v Canadian Mortgage Capital Corporation*, 2015 TMOB 164 (CanLII), a case involving services related to buildings and real estate. In that case, state of the register evidence was filed by the Applicant in an attempt to demonstrate that skyscraper designs were so common in the field of real estate, that the Opponent's skyscraper trade-mark should only be granted a very narrow scope of protection. However, despite the limited degree of inherent distinctiveness of the parties' marks and the preponderance of "buildings" on the register, it was held that there was simply not enough evidence to conclude that consumers were used to distinguishing such highly similar designs. Such is the present case in my view, as I agree with the Opponent that no other marks are as close in appearance and idea suggested in comprising a stylized and integrated unitary design that is suggestive of a maple leaf and a diamond.

[Emphasis added]

[134] Essentially the TMOB found the state of the register favoured the Respondent because there were insufficient numbers of relevant registrations to draw any relevant inferences. The TMOB agreed "that no other marks are as close in appearance and idea suggested in comprising a stylized and integrated unitary design that is suggestive of a maple leaf and a diamond." The TMOB specifically found the evidence before it "did not assist the Applicant as the marks located cover non-overlapping goods and services with different channels of trade, refer to marks that are inactive applications/registrations, and/or do not so closely resemble the Opponent's GEOMETRIC Design mark." These finding of fact virtually determines the Applicant's appeal in this respect. I find no palpable or overriding error in this determination supported by the record as it is.

[135] The Applicant in its Notice of Application argues that the TMOB erred in:

12(c) finding that the state of the register evidence that Corona had previously relied upon to demonstrate that trademarks

incorporating the maple leaf design were ubiquitous in Canada was irrelevant to this dispute;

...

12(1) despite finding that there were several marks on the register demonstrating the maple leaf motif, akin to Corona's GEOMETRIC Design, commonly registered for jewellery, finding that the evidence was not helpful in deciding against a likelihood of confusion between the parties' marks.

[136] In this respect, the Applicant submits the TMOB ignored the state of the register because there were several marks incorporating a maple leaf or combining a maple leaf and diamond shapes, which shows the ubiquity of maple leaf designs in trade-marks. However, that is a mischaracterization of the Decision. As previously noted, the TMOB expressly found the evidence before it "did not assist the Applicant as the marks located cover non-overlapping goods and services with different channels of trade, refer to marks that are inactive applications/registrations, and/or do not so closely resemble the Opponent's GEOMETRIC Design mark." The TMOB considered the evidence before it and found no other marks are as close in appearance and idea. In my respectful view, this finding was open to the TMOB based on the record before it, and does not amount to palpable or overriding error. There is no merit to these grounds of appeal.

[137] I should note, as with other elements of the subsection 6(5) analysis, additional alleged material evidence was offered to the Court. This new evidence was excluded on a subsection 16(3) analysis because it was not sufficiently substantial or of probative value, such that it could have affected a finding of fact or discretion. Alleged new evidence concerning the state of the

register after the material date under a subsection 16(3) appeal is inadmissible per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(3) itself.

(b) *Actual Confusion*

[138] The Supreme Court in Canada has held lack of evidence of actual confusion is a relevant surrounding circumstance, see *Mattel* at para 89. This Court in *MonSport Inc. v Vêtements de Sport Bonnie (1978) Ltée.*, [1988] FCJ No 1077 [Addy J] at para 11 has held it is entitled to draw negative conclusions concerning an opponent's case if, despite a substantial period of co-existence in the marketplace, no instances of actual confusion are established.

[139] There was no evidence of confusion before the TMOB before or at the time of filing as required under a subsection 16(3) analysis, and I should add there was no period of co-existence on the register at the date of filing. I ruled the very limited new evidence was not admissible because it pertains to facts posterior to the material date of filing and was not material per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(3) itself.

[140] Therefore, the palpable and overriding test is not established in this respect.

(c) *Shop-in-Shops*

[141] There was evidence before the TMOB to the effect that the way the Applicant displayed its products in retail stores was the same or similar to that already in use by the Respondent. The TMOB found in favour of the Respondent on this point, but did so based on evidence of facts

that arose posterior to the material date of filing in its main analysis which it was allowed in a confusion analysis based on paragraph 12(1)(d) in respect of which the material date is the date of the TMOB judgment (July 31, 2017). However, these Reasons review the decision under subsection 16(3) in respect of which the material date is the date of filing, namely February 22, 2013. I disallowed alleged new evidence on this point under the subsection 16(3) analysis because it pertains to facts posterior to the material date of filing and hence inadmissible per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(3) itself. I am not satisfied the TMOB made a palpable or overriding error in this respect. The Decision is consistent with and supported by the record:

[73] The Opponent submits that in 2013, the Applicant rolled-out DIAMOND Marks branded product showcases and towers [see Exhibit P to the Soare affidavit]. As previously indicated, Ms. Soare attests that these in-store display units (referred to by the Opponent as “shop-in-shops”) are representative of those that the Applicant later installed at its retailer locations, which the Opponent submits are essentially the same get-up as the Opponent's CORONA Marks branded shop-in-shops. Specifically, the Opponent submits that a comparison of its own shop-in-shops [see Exhibit H to the Soare affidavit], shows that both parties’ shop-in-shops have a main-height display that is flanked on each side by a shoulder height tower display, with the parties’ respective marks prominently featured in the same manner/location.

[74] I agree that the parties’ product display units (“shop-in-shops”) look very similar, and thus would contribute to a likelihood of confusion between the Applicant’s DIAMOND Marks and the Opponent’s GEOMETRIC Design mark.

G. *Subsection 6(5) analysis, part 2*

[142] As mentioned before, the TMOB addresses the subsection 6(5) confusion elements twice: first under paragraph 12(1)(d) which findings were held at para 80 of its Decision to be “equally applicable” to its subsection 16(3) analysis which I have just reviewed. Second, the TMOB

considered subsection 16(3) in brief additional reasons in which it again found in favour of the Respondent. The TMOB in fact noted in fact that the section 6(5)(a) and (b) factors “weigh even more in favour of the Opponent under this ground of opposition, as the Applicant’s evidence of use of the Mark post-dates the material date under this ground of opposition”:

[77] The Opponent has pleaded that the Applicant is not the person entitled to registration of the DIAMOND Marks since as of the filing date of the applications, the DIAMOND Marks were confusing with the Opponent’s CORONA Marks which had previously been used and registered in Canada.

[78] In order to meet its initial burden under section 16(3)(a) of the Act, the Opponent must show that one or more of the trade-marks alleged in support this ground of opposition was/were used in Canada prior to the date of filing of the applications for the DIAMOND Marks (February 22, 2013) and had not been abandoned at the date of advertisement of the applications for the DIAMOND Marks (November 12, 2014) [see section 16(5) of the Act].

[79] I accept that the Opponent has met its burden with respect to both CORONA Marks in association with jewellery, including gold and diamond jewellery. In this regard, the evidence demonstrates that the Opponent’s CORONA Marks were both in use in Canada prior to February 22, 2013 and had not been abandoned as of November 12, 2014. As the Opponent’s evidentiary burden has been satisfied, the Applicant must therefore establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion between the DIAMOND Marks and one or both of the Opponent’s CORONA Marks.

[80] The difference in material dates does not impact my conclusion regarding confusion of the parties’ marks and as a result my findings under the ground of opposition based on section 12(1)(d) are equally applicable here. In fact, the section 6(5)(a) and (b) factors weigh even more in the Opponent’s favour under this ground, since as of the material date under this ground of opposition [i.e., under subsection 16(3), ed.] there is no evidence from which to infer that the Applicant had used its DIAMOND Marks or acquired any reputation for its marks.

[81] Accordingly, the ground of opposition based on non-entitlement is also successful with respect to both applications, but once again, only with respect to the Opponent’s GEOMETRIC

Design mark for the reasons as set out in the section 12(1)(d) ground of opposition.

[Emphasis added]

[143] Essentially, the TMOB found that the Respondent met its burden with respect to both CORONA Marks in association with jewellery, including gold and diamond jewellery. The TMOB specifically found the evidence demonstrated both the MAPLE LEAF DIAMONDS and the GEOMETRIC Design marks were in use in Canada prior to February 22, 2013 and had not been abandoned as of November 12, 2014, when the DIAMOND Marks were advertised. This finding was certainly open to the TMOB on the record before it, and is in accordance with the relevant legal framework.

[144] This finding shifted the burden to the Applicant to establish there is not a reasonable likelihood of confusion between its proposed DIAMOND Marks and one or both of the Respondent's CORONA Marks.

[145] The Applicant in its Notice of Application alleges the TMOB erred by:

12(a) finding that Corona had met its initial evidential burden under section 12(1)(d) simply by adducing existing registrations for the Corona Marks, and shifting the burden entirely on to BHJ to demonstrate that there was no reasonable likelihood of confusion between the parties' marks;

[146] This argument was not advanced either in the Applicant's memorandum of fact and law or in oral submission. In this case, the Respondent's two marks were in fact registered marks, MAPLE LEAF DIAMONDS having been registered May 22, 2007 with a Declaration of Use

filed April 26, 2007, and GEOMETRIC Design having been registered November 20, 2006 with a Declaration of Use filed October 31, 2006. The Soare 2015 Affidavit deposes at para 8 that “Extensive use of the Corona Trade-marks began in 2004.” Ms. Soare defined Corona’s trade-marks as MAPLE LEAF DIAMOND and GEOMERIC Design in para 6 of her affidavit. There is no merit to this ground of appeal, as the Decision is based on a finding of fact open to the TMOB on the record; there is no palpable and or overriding error in this respect.

[147] The TMOB found the Applicant failed to discharge its burden, and found the TMOB’s previous determinations in favour of the Respondent under paragraphs 6(5)(a) - inherent and acquired distinctiveness, and under 6(5)(b) - relative length of time in use, weighed even more in favour of the Respondent.. It reached this conclusion because, as of the material date under subsection 16(3), the date the applications were filed, there was absolutely no evidence from which to infer the Applicant had used its DIAMOND Marks or acquired any reputation for its marks. It made this finding only with respect to the GEOMETRIC Design mark.

[148] These findings are supported by the record and I am not persuaded they represent palpable or overriding error.

[149] Before concluding, I should address the remaining grounds in the Notice of Application, which allege the TMOB erred in:

12(g) making no finding regarding BHJ’s use, promotion and making known of the FIRE Marks based on evidence supplied by Corona in the Soare Affidavit;

...

12(m) finding that the “shop-in-shop” get-ups of the parties was similar and would contribute to a likelihood of confusion between the parties’ marks;

...

12(o) finding there was confusion between the parties’ marks under section 12(1)(d);

12(p) finding that BHJ was not entitled to register the FIRE Marks under s.16(3)(a); and

12(q) finding that the FIRE Marks were not distinctive of BHJ and not adapted to distinguish and did not actually distinguish the BHJ Goods from Corona’s goods.

[150] Grounds 12(g) and 12(m) are not relevant to this analysis because they both deal with facts posterior to the material date of filing in a subsection 16(3) analysis, which in this case was February 22, 2013. Therefore, they are not addressed.

[151] Ground 12(o) is boilerplate and put in issue the entire TMOB reasons and conclusions on confusion both based on subsection 16(3)(a) and paragraph 12(1)(d). Ground 12(p) if successful, would deny the Respondent the remedy to which it is entitled based on its success before the TMOB and in resisting this appeal. Both are challenges to the entirety of the TMOB Decision. I have already dealt with the TMOB Decision in sufficient detail and there is no need to say more in these Reasons.

[152] Ground 12(q) is not relevant because it presumably deals with distinctiveness under section 2 of the *Act*, which is not addressed; these Reasons dismiss this appeal on the basis of subsection 16(3), such that section 2 does not need to be considered. However, these Reasons

deal with inherent and acquired distinctiveness per paragraph 6(5)(a) at paragraphs 106 - 122 above.

V. Conclusion

[153] In this appeal, I considered the proposed new evidence and found it inadmissible on the subsection 16(3) ground of appeal, largely because it pertained to facts posterior to the material date per subsection 16(3), namely the date of filing, or because it was not sufficiently significant and probative. I did so by following established jurisprudence in *Hawke* at para 31, *Kabushiki* at para 19 and by following subsection 16(3) itself.

[154] I then conducted a confusion analysis under each factor of subsection 6(5) and considered the surrounding circumstances, including relevant grounds of appeal raised in the Notice of Application and in oral and written submissions, and did so on the *Housen* appellate review standard of palpable and overriding error. I determined the TMOB did not commit palpable and overriding error at any point.

[155] Standing back and looking at the Decision in its totality, I am unable to see the Decision itself, either in whole or in part, to be flawed by palpable and overriding error. While the TMOB favoured the Applicant in some respects, it favoured the Respondent on virtually all grounds of subsection 6(5), including on the important issues of resemblance per *Masterpiece* and distinctiveness per *Mattel*.

[156] The TMOB did not make a palpable and overriding error in its confusion analysis conducted under subsection 12(1)(d) which was equally applicable to its analysis under subsection 16(3) of the *Act*. As a result, the Respondent has succeeded in opposing this appeal. That being the case, in according with subsection 16(3) of the *Act*, the Applicant is not “entitled, subject to section 38, to secure its registration”:

Proposed Marks

16(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;

[Emphasis added]

Marques projetées

16(3) Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce projetée et enregistrable, a droit, sous réserve des articles 38 et 40, d'en obtenir l'enregistrement à l'égard des produits ou services spécifiés dans la demande, à moins que, à la date de production de la demande, elle n'ait créé de la confusion :

a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;

[Je souligne]

[157] I turn to section 38, which provides, among other things, that a person – such as the Respondent – may file a statement of opposition to an application for the registration of a trade-mark based on four enumerated grounds. One such ground is “that the applicant is not the person entitled to registration of the trade-mark.”

[158] In this case, the Court has found the Applicant is not the person entitled to registration. Therefore, the TMOB acting under subsection 38(8) of the *Act* properly refused the Applicant's applications to register the Applicant's FIRE AND ICE CANADIAN DIAMOND & Design (Application no. 1,615,226) and FIRE ON ICE CANADIAN DIAMOND & Design (Application no. 1,615,229) marks.

Statement of opposition

38 (1) Within two months after the advertisement of an application for the registration of a trade-mark, any person may, on payment of the prescribed fee, file a statement of opposition with the Registrar.

Grounds

(2) A statement of opposition may be based on any of the following grounds:

(a) that the application does not conform to the requirements of section 30;

(b) that the trade-mark is not registrable;

(c) that the applicant is not the person entitled to registration of the trade-mark; or

(d) that the trade-mark is not distinctive.

...

Decision

(8) After considering the evidence and representations

Déclaration d'opposition

38 (1) Toute personne peut, dans le délai de deux mois à compter de l'annonce de la demande, et sur paiement du droit prescrit, produire au bureau du registraire une déclaration d'opposition.

Motifs

(2) Cette opposition peut être fondée sur l'un des motifs suivants:

a) la demande ne satisfait pas aux exigences de l'article 30;

b) la marque de commerce n'est pas enregistrable;

c) le requérant n'est pas la personne ayant droit à l'enregistrement;

d) la marque de commerce n'est pas distinctive.

...

Décision

(8) Après avoir examiné la preuve et les observations des

of the opponent and the applicant, the Registrar shall refuse the application or reject the opposition and notify the parties of the decision and the reasons for the decision.

[Emphasis added]

parties, le registraire repousse la demande ou rejette l'opposition et notifie aux parties sa décision ainsi que ses motifs.

[Je souligne]

[159] Therefore, I will dismiss the appeal and refuse the Applicant's application to register FIRE AND ICE CANADIAN DIAMOND & Design (Application no. 1,615,226) and FIRE ON ICE CANADIAN DIAMOND & Design (Application no. 1,615,229),

[160] Having dismissed the Applicant's appeal based on subsection 16(3) as without merit, it is not necessary to consider the Applicant's submissions under section 2 and paragraph 12(1)(d) of the *Act*.

VI. Costs

[161] Pursuant to the practices of the Federal Court and the Practice Direction of Chief Justice Lufty dated April 30, 2010 titled "Costs in the Federal Court", each party requested costs if they succeeded and subsequently made an agreed joint request on costs: "The parties have agreed that costs in both appeal proceedings heard under the above-noted docket number be set at \$20,000, inclusive of all disbursements and taxes". I see no reasons why costs should not follow the event. In my discretion, a reasonable cost order is that the Applicant shall pay to the Respondent costs in both appeal proceedings (T-1485-17 and T-1491-17) set at \$20,000, inclusive of all disbursements and taxes.

JUDGMENT in T-1485-17

THIS COURT'S JUDGMENT is that:

1. The appeal is dismissed.
2. The Applicant shall pay to the Respondent costs in both appeal proceedings (T-1485-17 and T-1491-17) set at \$20,000, inclusive of all disbursements and taxes.
3. A copy of this judgment shall be placed in Court files T-1485-17 and T-1491-17.

“Henry S. Brown”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKETS: T-1485-17

STYLE OF CAUSE: BEVERLY HILLS JEWELLERS MFG LTD. v
CORONA JEWELLERY COMPANY LTD.

PLACE OF HEARING: HELD BY WAY OF VIDEOCONFERENCE

DATE OF HEARING: MARCH 15 AND 16, 2021

JUDGMENT AND REASONS: BROWN J.

DATED: JUNE 28, 2021

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