

Federal Court



Cour fédérale

Date: 20241106

Docket: T-225-23

Citation: 2024 FC 1765

Ottawa, Ontario, November 6, 2024

PRESENT: The Honourable Madam Justice Tsimberis

BETWEEN:

**AUBERGE & SPA LE NORDIK INC. AND
NORDIK IMMOBILIERS WINNIPEG INC.**

Applicants

and

THERME DEVELOPMENT (CY) LTD.



Respondent

JUDGMENT AND REASONS

I. Overview

[1] This is an application by Auberge & Spa Le Nordik Inc. and Nordik Immobiliers Winnipeg Inc. [collectively, Nordik or Applicants], under sections 57 and 58 of the *Trademarks Act*, RSC 1985, c T-13 [TMA] to expunge certain registered services from trademark registrations TMA1110500 for THERME [THERME mark], TMA1110501 for THERME GROUP [THERME GROUP mark], TMA1110502 for THERME WOMANS HEAD LOGO

[THERME WOMAN'S HEAD mark] and TMA1110061 for THERME WOMAN LOGO [THERME WOMAN mark], [collectively, THERME Trademarks and THERME Registrations], owned by the Respondent, THERME Development (CY) Ltd. [TD]. The THERME Registrations are annexed hereto as Schedule "A". The table hereinafter reproduces the THERME Trademarks and references the relevant filing and registration dates for each of TD's THERME Registrations.

<u>THERME Registrations</u>	<u>Registration No.</u>	<u>Relevant Dates</u>
THERME	TMA1110500	Filed: 2018-03-16 Registered : 2021-09-29
THERME GROUP	TMA1110501	Filed : 2018-03-16 Registered : 2021-09-29
	TMA1110061	Filed: 2018-03-16 Registered : 2021-09-22
	TMA1110502	Filed : 2018-03-16 Registered : 2021-09-29

[1] TD (and/or related companies) is a resort developer and currently involved in the revitalization of Ontario Place in Toronto as a well-being destination. The THERME Registrations at issue cover the THERME Trademarks adopted by TD for use in association with various services and goods to be offered at Ontario Place. TD advertised its THERME CANADA complex at Ontario Place, which Nordik became aware of and took issue with.

[2] Nordik seeks an Order from this Court striking out only the following registered services reproduced and underlined below [collectively, Impugned Services] from TD's THERME

Registrations:

35 (1) Business management and hotel management.

37 (2) Development and construction of health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.

39 (3) Operation of launch areas for watercraft.


41 (4) Operation of recreational areas in the nature of swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports; Operation of swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports.

42 (5) Design of health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.

43 (6) Restaurant services, take-out restaurant services and snack bar services, namely, bar and café services; Hotel services; Operation of hotels.

44 (7) Health spa resorts incorporating thermal baths, swimming pools, waterslides, sauna, Turkish bath, mineral pool and hot tub facilities, health and beauty care services provided by health spas, saunas, beauty salons, sanatoriums, hairdressing salons and massage parlors, medical treatment services provided by a health spa, massage, hydrotherapy, light therapy and cosmetic skin tanning services, and performance measurement evaluations in the field of physical fitness; Operation of health and wellness centres which provide health spa services for the health and wellness of the body and spirit; Operation of health spa resorts, thermal baths, and recreational areas in the nature of spas.

[3] Nordik is the owner of trademark registrations TMA897305 for THERMËA [THERMËA mark] and TMA897306 for THERMËA & Design [THERMËA & Design mark], [collectively, THERMËA Trademarks and THERMËA Registrations]. The THERMËA Trademarks are registered in association with the services: “(1) Operation of a boutique offering bathrobes and sandals; (2) Resto-bar services; (3) Operation of a spa and wellness center offering saunas, therapeutic baths, whirlpool and cold baths, steam baths, floating baths, relaxing and therapeutic massages; body treatments for face, body and feet.”, and the goods: “(1) Candles; (2) Water bottles; (3) Bathrobes; sandals.” The THERMËA Registrations are annexed hereto as Schedule “B”. The table hereinafter references the relevant filing and registration dates for each of Nordik’s THERMËA Registrations:

<u>THERMËA Registrations</u>	<u>Registration Nos.</u>	<u>Relevant Dates</u>
THERMËA	TMA897305	Filed: 2013-05-30 Registration : 2015-02-24
	TMA897306	Filed : 2013-05-30 Registration : 2015-02-24

[4] Nordik alleges that the THERME Registrations are invalid, in part – as far as they are registered in relation to the Impugned Services. Nordik alleges the THERME Registrations are invalid pursuant to section 18(1) of the TMA because they are (a) clearly descriptive or deceptively misdescriptive in the French language of the character of the Impugned Services, (b) they are the name in any language of some of the Impugned Services, (c) they are confusing with the THERMËA Trademarks subject of Nordik’s THERMËA Registrations and previously used in Canada by Nordik, and (d) they are not distinctive.

[5] For the reasons that follow, I grant Nordik's application, in part.

II. Issues

[6] More specifically, the issues are as follows:

- 1) Issue 1: What are the applicable legal and evidentiary burdens?
- 2) Issue 2: Whether any of the Respondent's THERME Registrations are invalid with the Impugned Services because:
 - a) The THERME Trademarks are clearly descriptive or deceptively misdescriptive in the French language of the character of the Impugned Services in association with which they are used or proposed to be used, and therefore unregistrable at the date of their registration in September 2021, contrary to sections 12(1)(b) and 18(1)(a) of the TMA?
 - b) The THERME Trademarks are the name in the French language of some of the Impugned Services and therefore unregistrable at the date of their registration in September 2021, contrary to sections 12(1)(c) and 18(1)(a) of the TMA?
 - c) The THERME Trademarks are confusing with the THERMËA Trademarks, subject of Nordik's THERMËA Registrations, and therefore unregistrable at the date of their registration in September 2021, contrary to sections 12(1)(d) and 18(1)(a) of the TMA?
 - d) TD was not the person entitled to secure the THERME Registrations because, at the date of the filing of the relevant applications for the THERME Trademarks, namely on March 16, 2018, the THERME Trademarks were confusing with the THERMËA Trademarks of Nordik that had been previously used, under license of Nordik, by Spa Winnipeg as a trademark and tradename, contrary to sections 16(1)(a), 16(1)(c) and 18(1)(d) of the TMA?

- e) The THERME Trademarks were not distinctive on the date these expungement proceedings were commenced, namely on February 1, 2023, contrary to sections 2 and 18(1)(b) of the TMA?

[7] Before analysing these questions, I will review the evidence on the record, beginning with Nordik's evidence and followed by TD's evidence.

III. The Evidence

A. *Nordik's Evidence*

(1) Affidavit of Alexandre Cantin dated March 20, 2023 – Chief Operating Officer

[8] Alexandre Cantin [Mr. Cantin] has been employed by Auberge & Spa Le Nordik Inc. since December 12, 2016 and has been its Chief Operating Officer since October 2021. His affidavit attaches printouts from the online Canadian Trademarks Register Database of the THERMËA Registrations registered on February 24, 2015 as well as the corporate registrations for the Applicants Auberge & Spa Le Nordik Inc. [Le Nordik] incorporated in 2002 and Nordik Immobiliers – Winnipeg Inc. [Spa Winnipeg] incorporated in 2013.

[9] Mr. Cantin attests that starting in early 2015, Le Nordik, through its sister company, Spa Winnipeg, opened a spa and wellness center in Winnipeg operating under the name THERMËA [THERMËA Winnipeg] and offers products and services, including spa (thermal baths, saunas, massage therapy, body care treatments), restaurant and accommodations services, in association with the THERMËA Trademarks. Mr. Cantin attests that Le Nordik, through its sister company, Thermëa Spa Village Whitby Inc. [Spa Whitby], opened another spa and wellness center in

Whitby, near Toronto, whose opening was delayed until October 6, 2022 due to the Covid-19 pandemic. His affidavit attaches contemporaneous screenshots of their websites www.thermea.ca and www.thermea.com showing the THERMËA mark as well as printouts from the WayBack machine for www.thermea.ca, the first being from January 16, 2015 showing the THERMËA mark being used and depicting tabs entitled “Experience Bath, Treatments, Restaurant”, “Online boutique Spa essentials and Gifts” and “Reservation Massages, treatments, activities” marks. In support of Mr. Cantin’s attestation that Spa Winnipeg offers accommodation services in partnership with Winnipeg hotels since May 13, 2019, he attaches a printout from the WayBack machine for www.thermea.ca from May 13, 2019 showing the THERMËA mark being used with an additional tab of Accommodations. He attests and shows through the above-mentioned websites and through pictures that merchandising products such as bottles, sandals, bathrobes are sold in their Spa Winnipeg boutique.

[10] Mr. Cantin attests that Spa Winnipeg and Spa Whitby use the THERMËA Trademarks under licence of Le Nordik and attaches the licences in question and attests to the control he has exercised over their use of the THERMËA Trademarks.

[11] Mr. Cantin provides advertising and promotional activities, including Instagram and Facebook social media accounts for both the Spa Winnipeg and Spa Whitby showing the use and promotion of the THERMËA Trademarks along with the numbers of subscribers. Mr. Cantin describes and shows advertising done starting in 2016 at THERMËA booths and storefronts in local shopping malls, on billboards and in transit systems advertising and promote the

THERMËA Trademarks and offering for sale the THERMËA services first for the Spa Winnipeg and then Spa Whitby.

[12] Rather than providing its sales in dollars, Mr. Cantin provides the number of visitors to the THERMËA Spa Winnipeg and Spa Whitby resorts by year (October to September) from 2018 to 2023, explaining that there were less visits in the years 2020 to 2022 due to the Covid-19 pandemic and the mandatory closures:

Year	THERMËA Spa Winnipeg	THERMËA Spa Whitby
2018	100 486	Not applicable
2019	102 682	Not applicable
2020	68 710	Not applicable
2021	30 938	Not applicable
2022	87 536	Not applicable
2023 (October 2022-February 2023)	47 330	30 150

[13] Mr. Cantin attests that in mid-April 2022, he became aware for the first time of a promotional video on TD's website www.thermecanada.com in which one hears the way the THERME mark is pronounced, namely as THERMA, which he attests is similar to the pronunciation of the word THERMËA. Mr. Cantin attached video and audio files of TD's advertisements available on its website.

[14] Lastly, Mr. Cantin files online printouts from three French dictionaries of definitions of the word "thermes" reproduced, which are reproduced below in French:

Larousse

Nom masculin pluriel

(latin *thermae*, du grec *thermos*, chaud)

1. Établissement de bains caractéristique de la civilisation impériale romaine.
2. Nom de certains établissements où l'on fait une cure thermale : Les thermes de Luchon.

Le Robert

Nom masculine pluriel

1. Établissement de bains publics de l'Antiquité.
2. Établissement thermal.

Le Nouvel Observateur – La conjugaison

thermes est employé comme nom masculine pluriel

1. dans l'Antiquité, bains publics
2. établissement thermal

[15] Mr. Cantin was not cross-examined by the Respondent on his affidavit. The Respondent's position on Mr. Cantin's evidence is that it provides details of the Applicants' *modest* activities in association with the THERMËA Trademarks since 2015. In addition, the Respondent argued that the table of number of visitors per year only starts at 2018 (despite the fact that the alleged use dates back to 2015), there is no evidence that the visitors are unique/non-repeat visitors and there is no evidence as to which of the services (e.g. spa vs restaurant) the visitors used. TD's position concerning the dictionary definitions of THERME in evidence is that the word "thermes" is an obscure, archaic, antique or specialized term in the French language and is not a term known or used by ordinary Canadian consumers in common parlance. Therefore, it should not matter even if TD's THERME mark is considered the phonetic equivalent of the word "thermes" appearing in the dictionaries.

B. *TD's Evidence*

(1) Affidavit of Jane Buckingham sworn May 4, 2023 – trademark searcher

[16] Jane Buckingham [Ms. Buckingham] is a trademark searcher employed by the Respondent's solicitors and provides search results of the Canadian Trademarks Register Database for any active THERM- prefixed marks. Ms. Buckingham describes her search parameters and attaches her search results that identified: (i) 83 active applications/registrations, which incorporate THERM- as a prefix in health, wellness, spa, fitness, pool, water-related goods and services (Exhibit A); and (ii) 660 active registrations incorporating THERM as a prefix for any goods or services (Exhibit B). In addition, Ms. Buckingham attaches the complete file histories for each of the THERME Registrations.

[17] Ms. Buckingham was not cross-examined by the Applicants. The Applicants' position on Ms. Buckingham's affidavit is: (1) that she does not provide any evidence that the trademarks incorporating THERM- as a prefix in her search results of the Trademarks Register are in use in Canada; and (2) that the large majority of the results are not relevant to the spa and wellness services at issue between the parties, revealing only three potentially relevant third party trademark registrations.

(2) Affidavit of Jessica San Agustin sworn May 4, 2023 – private investigator

[18] Jessica San Agustin [Ms. San Agustin] is a private investigator retained by the Respondent's solicitors to access various websites, obtain screen captures of the pages on websites accessed and to investigate the accessibility and availability of product and service

offerings for purchase in Canada. In her affidavit, Ms. San Agustin provides the websites and her observations confirming the accessibility and availability to Canadians of over 50 websites and businesses offering goods and services in association with THERM-prefixed business names and marks, which TD submits is in related fields to those of the Applicants.

[19] Ms. San Agustin was not cross-examined by the Applicants. The Applicants' position on Ms. San Agustin's evidence is similar to its position on the evidence of Ms. Buckingham.

(3) Affidavit of Dr. Shana Poplack sworn May 4, 2023 - Expert Evidence of Linguist and Sociolinguist

[20] Doctor Shana Poplack [Dr. Poplack], is a Professor and Canada Research Chair in Linguistics at the University of Ottawa, who swore her affidavit on May 4, 2023. In 1982, she founded the Sociolinguistics Laboratory at the University of Ottawa, which hosts twenty-one major databases of spoken and written materials in a variety of languages. A major research focus is on the (socio) linguistic structure of French and English. She is a frequent speaker and publisher on a variety of linguistic and language-related topics. She attests that much of her work has focused on the history, structure and development of the French language, in Canada and elsewhere. Dr. Poplack's educational degrees of M.A. and Ph.D. in Linguistics were obtained from US universities with both degrees involving French, and she lived and studied at the Sorbonne in Paris for seven years. As such, she attests to speaking French fluently and has taught, lectured and published in French for many years, as referenced in her *curriculum vitae* (Exhibit B). She has previously been accepted as an expert in linguistics and sociolinguists by

the Trademarks Opposition Board [Board] in *Coors Global Properties, Inc. v Drummond Brewing Company Ltd.*, 2011 TMOB 44.

[21] In this matter, according to her affidavit, Dr. Poplack's mandate was "to provide an expert opinion as a sociolinguist on the degree of resemblance between the trademarks THERME and THERMËA, as concerns appearance, sound, and ideas suggested".

[22] Dr. Poplack notably opines:

I also consulted some legal literature provided or suggested to me by counsel, specifically, the Supreme Court of Canada's decision in *Masterpiece Inc. v Alavida Lifestyles Inc.*, 2011 SCC 27. My linguistic research and analyses of these trademarks lead me to opine that there is little resemblance between the trademarks THERME and THERMËA as concerns appearance, sound or ideas suggested. For the reasons discussed in detail below, I consider both marks to be unique, albeit in different ways, by virtue of what could be informally described as their "foreign" flavour. Indeed, in appearance, neither is readily identifiable as either a French or an English word, nor is one particularly reminiscent of the other, despite the identity of their first five letters. While the sequence THERM in the marks may be argued – upon technical etymological analysis – to share some common features of meaning, these would not in my opinion be readily available to the average Canadian, anglophone or francophone. The marks also differ from each other in terms of pronunciation, in both French and English.

[23] An extract of some of Dr. Poplack's conclusions with respect to the degree of resemblance between the respective marks is reproduced hereinafter:

(a) **Striking or unique aspects of the trademarks:** When considered as a whole the most striking feature of THERMËA is its unusual "ËA" ending including, and particularly, the two-dot diacritic over the E (namely, the Ë). With respect to THERME, the addition of the "silent E" after ERM is unusual; this feature renders THERME striking in its own right. Most notably, however,

THERME lacks the salient and striking ËÄ ending of THERMËÄ. For these and other reasons, detailed below, I consider it most likely that the average Canadian (Francophone or Anglophone) would see both marks as coined, but different, words.

(b) **Diareses, Umlauts, and Branding:** THERMËÄ's two-dot diacritic over the E (namely, Ë) could be interpreted as a diaeresis (used to indicate that two adjacent vowels should each be pronounced as a distinct vowel in a separate syllable) and/or an umlaut (which changes the quality or pronunciation of a vowel). Diacritics can play an important role in branding. The Ë in THERMËÄ is a prominent and striking feature of this trademark that significantly impacts its appearance, sounds and ideas suggested. The absence of this diacritic in the mark THERME is a major distinguishing feature between the two.

(c) **Prevalence of –therm- formative words and marks:** The shared element THERM of both marks is widely used in both French and English as a prefix, a suffix and word-internally (e.g. thermal, thermometer, thermostat, thermodynamics, thermal, isotherm, geotherm, hypothermia). It also appears frequently in other marks and names associated with a variety of goods or services. I have also been provided with search results from the Canadian Trademark Registry showing a large number of Canadian trademarks containing the first element THERM. The very frequency of the component THERM in such a wide variety of applications supports my view that consumers appeal to other elements of the marks or words to distinguish them, as opposed to relying solely, or even primarily, on the shared sequence THERM.

(d) **Appearance:** THERMËÄ and THERME differ significantly in appearance. Any visual similarity between THERMËÄ and THERME deriving from their first five letters is far outweighed by the differences between them having regard to the striking features of the marks, the visual significance of the diaeresis or umlaut in THERMËÄ as well as its “ËÄ” combination.

IV. Analysis

A. *Preliminary Issue - Dr. Poplack's Affidavit is inadmissible*

[24] The expert sociolinguist evidence put forth in Dr. Poplack's affidavit, like all expert evidence, must meet the following four conjunctive requirements set out by the Supreme Court of Canada for the Court to find it admissible:

1. Relevance;
2. Necessity in assisting the trier of fact (in the sense that the evidence is outside the experience and knowledge of a judge);
3. The absence of any exclusionary rule; and,
4. A properly qualified expert.

(Masterpiece Inc v Alavida Lifestyles Inc, 2011 SCC 27, 92 CPR (4th) 361 (SCC) [Masterpiece] at para 75, citing R v Mohan, 1994 CanLII 80 (SCC), [1994] 2 SCR 9 [Mohan] at 20).

[25] The Applicants take the position that Dr. Poplack's affidavit evidence is inadmissible and should be given no weight principally because the confusion test is a legal test that should be decided by the trier of fact from the perspective of an average consumer, and not by the expert. They argue that the role of expert testimony in trademark cases is limited, especially when the average consumer is not sophisticated and the services at issue do not fall within a specialized market. To support their contention, the Applicants rely on *Cathay Pacific Airways Limited v Air Miles International Trading B.V.*, 2016 FC 1125 [*Cathay Pacific*]:

[80] The remaining affidavit to be considered is the sole new affidavit filed by Air Miles, that of John K. Chambers, a professor of linguistics at the University of Toronto. Air Miles offers Mr. Chambers' affidavit **as expert evidence as to the degree of resemblance (if any) between the trade-marks AIR MILES and ASIA MILES in appearance and/or sound and/or in the ideas suggested by them.**

[81] Cathay Pacific takes the position that Mr. Chambers' affidavit is either inadmissible or should be given no weight, arguing principally that it provides no relevant information that is beyond

the knowledge of the Court, contrary to the purpose of expert evidence as explained in *Masterpiece*.

[82] I agree with Cathay Pacific’s position on this issue. In *Masterpiece*, at paragraphs 75 to 77, Justice Rothstein explained the application of the requirements from *R. v Mohan*, 1994 CanLII 80 (SCC), [1994] 2 SCR 9 to the tendering of expert evidence in trade-mark cases and emphasized in particular the requirement of “necessity”, **such that an expert should not be permitted to testify if the testimony is not likely to be outside the experience and knowledge of a judge**. In considering the particular expert evidence at issue in *Masterpiece*, Justice Rothstein held at paragraph 80 that, **in a case where the casual consumer, through whose eyes the issue of confusion must be assessed, is not expected to be particularly skilled or knowledgeable, and where there is a resemblance between the marks, expert evidence which simply assesses that resemblance will not generally be necessary**. At paragraph 88, the Court distinguished this from a situation which involved goods sold in a specialized market of sophisticated consumers engaged in a particular trade, where evidence about the special knowledge or sophistication of the targeted consumers may be essential to determining when confusion would be likely to arise.

[83] The case at hand does not involve trade-marks or services that are employed in specialized markets. **Bearing in mind that the test for confusion under the Act is a matter of first impression in the mind of a casual consumer, I find no necessity for the receipt of an expert linguist’s opinion on the degree of resemblance between the marks**, and I therefore conclude that Mr. Chambers’ affidavit is inadmissible.

(*Cathay Pacific* at paras 80-83, emphasis added).

[26] I agree with the Applicants for much the same reasons as Justice Southcott in *Cathay Pacific*, which I reproduced above. Indeed, Dr. Poplack’s mandate is *identical* to the expert’s mandate in *Cathay Pacific*. There is no evidence that the average consumer of any of the Impugned Services is “expected to be particularly skilled or requiring specialized knowledge”, and the Impugned Services are not offered in a specialized market of sophisticated consumers engaged in a particular trade. Dr. Poplack offered a skilled linguistic analysis of the trademarks

at issue in this case, but in so doing, forgot that it is not *her* opinion that determines degree of resemblance but that of the “casual consumer through whose eyes the issue of confusion must be assessed” (*Cathay Pacific* at para 82, citing *Masterpiece* at para 80). For example, Dr. Poplack treats the letter “Ë” with the umlaut in the THERMËA mark as a different character than the similarly positioned letter “E” (sans-umlaut) in the THERME mark disregarding that the casual consumer will have seen the shared second letter “E” that is common to both parties’ marks. The entirety of TD’s word mark THERME can be found visually in the Nordik’s word mark THERMËA. The first six (not five) letters of each mark (THERME) are the same, with the only differences between them being an umlaut accent (two regularly sized dots) above the second “E” and the letter “A”. I am unable to accept that the “casual consumer through whose eyes the issue of confusion must be assessed” would not see the second letter “E” as the same between the marks just because it has a foreign accent or two dots above it.

[27] As discussed in *Masterpiece* at paragraph 80:

[80] The first problem was that much of the expert testimony did not meet the second *Mohan* requirement of being necessary. **In a case such as this, where the “casual consumer” is not expected to be particularly skilled or knowledgeable, and there is a resemblance between the marks, expert evidence which simply assesses that resemblance will not generally be necessary.** And it will be positively unhelpful if the expert engages in an analysis that distracts from the hypothetical question of likelihood of confusion at the centre of the analysis.

(Emphasis added).

[28] In considering the necessity of the expert’s evidence, it is imperative to ensure that “an expert should not be permitted to testify if their testimony is not ‘likely to be outside the experience and knowledge of a judge’” (*Masterpiece* at para 75, citing *Mohan* at 23). As defined,

Dr. Poplack's mandate serves to usurp the role of the Court that is tasked with deciding one of the central issues in this matter, which is the resemblance between the parties' respective trademarks. *Mohan* highlighted the importance of this concern:

There is also a concern inherent in the application of this criterion that experts **not be permitted to usurp the functions of the trier of fact**. Too liberal an approach could result in a trial's becoming nothing more than a contest of experts with the trier of fact acting as referee in deciding which expert to accept.

(*Mohan* at 24, emphasis added).

[29] The Respondent argues that *Masterpiece* did not set down a general rule that expert evidence (from a linguist or otherwise) is inadmissible in all trademark confusion cases, or that such expert evidence will never meet the standard of admissibility and refers to Fox, Harold G, *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4th ed, loose-leaf (Toronto: Thomson Reuters, 2021) [*Fox on Trade-marks*] at § 8.35:

While the Court chastised the use of expert evidence on semantics and morphology (amongst others) in this context, no doubt such expert evidence could still meet the standard for admissibility **if the marks at issue were coined terms** and/or the wares or services of a highly specialized nature (...)

(Emphasis added).

[30] The Respondent further argues that Dr. Poplack's evidence here meets the tests of necessity and relevance because her testimony concerns the meaning and visual and phonetic effect of each party's coined (invented) mark, including in particular the unusual "-ËA" ending of the Applicants' THERMËA Marks and the use of the diacritic (or umlaut) on the letter "Ë". The Respondent submits that Dr. Poplack's evidence in turn informs and assists the Court as to how the consumer is going to react to these marks.

[31] I disagree. First, Dr. Poplack does not bring expert survey evidence to this matter as to the relevant consumers' reactions or perceptions of either party's trademarks. Such survey expert evidence could potentially assist the Court in understanding how the casual consumer of the Impugned Services would perceive or react to these marks, which would be helpful to the Court in analyzing either the likelihood of confusion between the marks or whether the Respondent's marks are clearly descriptive or deceptively misdescriptive. Second, Dr. Poplack was not proffered as an expert on the *meaning* of the marks; rather, she was retained for the purpose of analyzing the degree of resemblance between the marks, including the distinction in one mark having an umlaut. Third, Dr. Poplack relies on marketing and branding strategy materials of third parties like Labatt (Nütrl vodka-based seltzer) and Ultima (iÖGO yogurt) making use of the umlaut in their brands and her own interpretations thereof, to which the Court notes Dr. Poplack has not been put forth nor is she qualified as a marketing expert. The Court also notes that, unlike Labatt and Ultima, there is no evidence that the Applicants utilize the umlaut as a brand icon in its use or marketing of the THERMËA Marks.

[32] During oral submissions, the Respondent also suggested Dr. Poplack's evidence was necessary for the analysis of the *clearly descriptive or deceptively misdescriptive* issue. Again, I disagree. This is a new submission, as Dr. Poplack's above-mentioned mandate and the Respondent was clear at paragraph 16 of their Memorandum of Fact and Law that "the evidence of Professor Poplack is useful to provide the Court with evidence on the resemblance between the parties' marks in accordance with the principles set out in Masterpiece. Unlike cases where the marks at issue are comprised of ordinary, dictionary words, such information is unlikely to be within the experience and knowledge of the Court." Contrary to the Respondent's later

submission, they put forward Dr. Poplack's evidence expressly because they claim she *did not* deal with the meaning of ordinary, dictionary words, which makes it a little difficult to understand how she could be assisting the Court with whether the Respondent's marks are clearly descriptive or deceptively misdescriptive.

[33] Despite the argument that the umlaut is not a diacritic known to the modern English language, Dr. Poplack's mandate was not to assist the Court with the pronunciation of the umlaut, which may potentially have been helpful. Her mandate and, as a result, her entire analysis and the whole of her evidence do not *inform* the Court, but are a concerted effort to *replace* the Court as the trier of fact in determining the conclusions of the alleged issues of confusion from the eyes of the casual consumer and whether the Respondent's marks are clearly descriptive or deceptively misdescriptive.

[34] In addition to Dr. Poplack's problematic mandate and ensuing evidence, it bears mentioning that Dr. Poplack's expertise does not extend to trademarks law, which becomes apparent from her analysis of the marks at issue, having teased out and analyzed each portion of the marks at issue separately. For example, see below to the left an extract from Dr. Poplack's summary of opinion, which approach was prohibited following the excerpt from *Masterpiece* to the right:

<p>(d) Appearance: THERMËA and THERME differ significantly in appearance. Any visual similarity between THERMËA and THERME deriving from their first five letters is far outweighed by the differences between them having regard to the striking features of the marks, the</p>	<p>[83] <u>Neither an expert, nor a court, should tease out and analyze each portion of a mark alone.</u> Rather, it should consider the mark as it is encountered by the consumer — as a whole, and as a matter of first impression. In <i>Ultravite Laboratories Ltd. v. Whitehall Laboratories</i></p>
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<p>visual significance of the diaeresis or umlaut in THERMËA as well as its “ËA” combination.</p>	<p><i>Ltd.</i>, 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: “<u>[T]he test to be applied is with the average person who goes into the market and not one skilled in semantics.</u>”</p> <p>(<i>Masterpiece</i> at para 83, emphasis added)</p>
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[35] Dr. Poplack is not unique in making this error; in similar cases drawn to the Court’s attention by the Applicants, linguistic experts have had difficulty walking the line to provide a helpful linguistic analysis and offering expert conclusions while properly adhering to the principles underlying trademark law. One such case was *Pierre Fabre Médicament v Smithkline Beecham Corp.*, 2004 FC 811:

[29] The degree of similarity has to be analysed in terms of appearance, sound and ideas. The submission of **expert opinions in linguistics is admissible to present evidence of similarity** (*Coca-Cola Ltd. v. Brasseries Kronenbourg, une société anonyme* (1994), 55 C.P.R. (3d) 544).

[30] **However, since the question is one of general impression, the comparison must be made in general terms: the marks should not be dissected. Accordingly, the Court should treat linguistic expert opinions with caution since their function is precisely that of dissecting words syllable by syllable, letter by letter.**

(Emphasis added).

[36] This same difficulty was exhibited in *Mövenpick Holding AG v Exxon Mobil Corporation*, 2011 FC 1397 [*Mövenpick*], demonstrating the reality that lines increasingly blur between helpful linguistic evidence that informs the Court and expert evidence that fails to consider the perspective of the *average consumer*:

[23] Both sides produced affidavits from linguists, who were cross-examined. Their evidence relates to both the clearly descriptive and confusion aspects of the case. In my opinion, they add little to the debate and would not have persuaded the Registrar to change her mind. In this case, where **the objective is to assess the meaning of the words “marché express” in the French language as perceived on first impression by the reasonable everyday user of the services, expert evidence which mainly consists of a discussion of rules of grammar, semantics and linguistic constructions regarding the interpretation of these words is unnecessary and not particularly helpful.**

(*Mövenpick* at para 23, emphasis added).

[37] In addition to Dr. Poplack’s affidavit running afoul of the second *Mohan* requirement, Dr. Poplack’s affidavit fails to comply with Rule 52.2(1)(b) of the *Federal Courts Rules*, SOR/98-106: “set out the expert’s qualifications and the areas in respect of which it is proposed that he or she be qualified as an expert”. While the affidavit is clearly providing evidence of one who is trained in the field of linguistics, the affidavit offers no explanation of what specifically a “sociolinguist” is, what areas a sociolinguist proposes to be qualified as an expert in, what evidence a sociolinguist is qualified to conduct or analyze, what conclusions a sociolinguist can draw from said analyses and how they are drawn, or what qualifies a sociolinguist to offer their conclusions on the linguistic analysis of trademarks as the likely perceptions for a casual consumer of the parties’ services. Such information would have been necessary to satisfy the Court that Dr. Poplack’s evidence was, indeed, expert in nature, if said evidence was necessary in the first place.

[38] As such, Dr. Poplack’s affidavit is inadmissible for failing to meet the fundamental requirement of necessity of assisting the Court with the confusion analysis.

B. *The Applicants bear the legal onus and burden of proof*

[39] The Applicants rely on different grounds of invalidity found in sections 18(1)(a), (b), and (d) of the TMA in their assertion that each of the THERME Registrations is invalid (in part), only with the Impugned Services. At the beginning of this analysis, it is useful to set out certain applicable legal principles relating to their legal onus and burden of proof.

[40] Section 19 of the TMA confers a weak presumption of validity on registered trademarks, and any doubts must be resolved in favour of the validity of the registrations (*Travel Leaders Group, LLC v 2042923 Ontario Inc*, 2023 FC 319 [*Travel Leaders*] at para 129, citing *Bedessee Imports Ltd v Glaxosmithkline Consumer Healthcare (UK) IP Limited*, 2019 FC 206 [*Bedessee*] at para 13). As Justice Binnie indicated in *Veuve Clicquot Ponsardin v Boutiques Clicquot Ltée*, 2006 SCC 23 [*Veuve Clicquot*] at paragraph 5: “Under s. 19 of the Act, the respondent’s marks are presumptively valid, and entitles them to use the marks...” I agree with the Respondent that the starting point for the assessment of any of the Applicants’ allegations of invalidity is that the THERME Registrations are valid until proven otherwise (*Travel Leaders*, at para 60). However, the statutory presumption of validity is a weakly worded one that adds little to the onus already resting on the party attacking the validity of the registration (*Emall.ca Inc. v Cheaptickets and Travel Inc.*, 2008 FCA 50 at paras 11-12; *Glaxo Group Limited v Apotex Inc.*, 2010 FCA 313 at para 5).

[41] As the party alleging the invalidity of the registered trademark, the Applicants bear the legal onus of proving with cogent evidence, on a balance of probabilities, that the THERME

Registrations are invalid (*Travel Leaders* at para 61 citing *Techno-Pieux Inc. v Techno Piles Inc.*, 2022 FC 721 at para 172 and *Bedessee Imports Ltd. v GlaxoSmithKline Consumer Healthcare (UK) IP Limited*, 2020 FCA 94 at para 18). I also agree with the Respondent that, to the extent that there are any doubts about their validity, those doubts must be resolved in favour of validity and preserving the registrations on the Trademarks Register.

C. *Are any of the THERME Trademarks clearly descriptive or deceptively misdescriptive in the French language of the character of the Impugned Services in association with which they are used or proposed to be used, and therefore unregistrable at the date of their registration in September 2021, contrary to sections 12(1)(b) and 18(1)(a) of the TMA?*

[42] Section 12(1)(b) of the TMA stipulates:

12 (1) Subject to subsection (2), a trademark is registrable if it is not

(...)

(b) whether depicted, **written or sounded**, either clearly descriptive or deceptively misdescriptive **in the English or French language** of the character or quality of the goods or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;

(Emphasis added).

[43] In section 12(1)(b), the word “clearly” in “clearly descriptive” means “easy to understand, self-evident or plain” (rather than “accurately”) and the word “descriptive” is considered in relation to the wares and/or services with which the trademark is used or proposed to be used. The word “character” means a feature, trait or characteristic of the goods and/or services (*Drackett Co. of Canada Ltd v American Home Products Corp.* [1968], 2 Ex.C.R. 89 at

paras 21, 22; *Ottawa Athletic Club Inc. v Athletic Group Inc.*, 2014 FC 672 [*Ottawa Athletic Club*] at paras 28, 60).

[44] As mentioned in *Fox on Trade-marks* at § 5:25, “Section 12(1)(b) Descriptive, Misdescriptive, and Geographical Words and Symbols—Statutory Provisions”, the purpose of section 12(1)(b) of the TMA is two-fold:

One purpose of this section is to prevent the registrability of clearly descriptive words so that no person should be able to appropriate such a word and place legitimate competition at an undue disadvantage in relation to language that is common to all. If the monopolized word were the descriptive terms of the products or services, then no one would be entitled to describe those products by their dictionary name.

The purpose of denying the registration of deceptively misdescriptive marks is to prevent the public from being misled. Deceptive is thus the key. A misdescriptive mark is registrable but a deceptively misdescriptive mark is not. To be deceptively misdescriptive, a trademark must first be found to be descriptive.

(1) Are any of the THERME Trademarks Clearly Descriptive?

(a) *THERME mark*

[45] The Applicants have proven on a balance of probabilities that, when sounded in French, the THERME mark is clearly descriptive in the French language of the character of those Impugned Services specifically related to thermal baths in association with which they are proposed to be used by the Respondent, and therefore unregistrable at the date of its registration in September 2021. I will first explain my reasoning and then address the arguments of the Respondent.

[46] Firstly, there is incontrovertible evidence of dictionary definitions of the French word THERMES appearing in French dictionaries. The French definitions are reproduced above and I have translated into English some of these definitions as “thermal baths” and “name of certain establishments where a thermal cure or treatment is performed”. While these French dictionaries provide another definition in the French language for another more historical definition for the word THERMES, I cannot agree with the Respondent’s submission that the word THERMES is “an obscure, archaic, antique or specialized term in the French language rather than a term used by ordinary Canadian consumers in common parlance”. The definitions of THERMES as “thermal baths” and “name of certain establishments where a thermal cure or treatment is performed” appearing in the above-noted French dictionaries, including the Larousse and Le Robert, which are well-known dictionaries commonly used by Francophone Canadians and bilingual Canadians, cannot be ignored. I have been shown no reasonable basis to call into doubt these dictionaries of the French language that list the word THERMES as a French word with the aforementioned common meanings.

[47] Secondly, while the word THERMES in the French language is an invariable word that is masculine plural and the word THERME without an S is not a word in the French language, I must agree with the Applicants that THERME and THERMES, *as sounded*, are exactly the same given the silent S. As such and as previously mentioned by the Federal Court of Appeal in *Shell Canada Ltd. v P.T. Sari Incofood Corporation*, 2008 FCA 279 [*Shell*] at paragraph 31:

[31] In this respect, **paragraph 12(1)(b) of the Act provides that a trademark is not registrable if it is descriptive "whether ... written or sounded "**. I agree with Shell's submission that although the trademark in issue is not two separate words, "java" and "café", but is instead a single coined word JAVACAFE, **this distinction is lost when the trademark is sounded in the French**

language. As such, for the purposes of considering descriptiveness pursuant to paragraph 12(1)(b), the trademark is effectively two words, namely "JAVA" and "CAFE". Again no survey is required to establish this point as the proposed mark in the French language cannot be sounded otherwise.

(*Shell* at para 31, emphasis added).

[48] Similarly, I agree with Nordik's submission that although the THERME mark is not spelled identical to the French word THERMES, this distinction between the different spellings of THERMES with the silent S is lost when the THERME mark is sounded in the French language. As such, when sounded in French, the trademark THERME is exactly the same as the French word THERMES and thus clearly descriptive, when sounded, of the character of some of the Impugned Services specifically related to "thermal baths" and the "name of certain establishments where a thermal cure or treatment is performed". This ensures the above-mentioned purpose of section 12(1)(b) of the TMA is achieved, which is not to allow any one person or trader to appropriate a word of the French language and place legitimate competition at an undue disadvantage in relation to language that is and should be common to all.

[49] Being conscious of the words "clearly descriptive" in the provision, I have reproduced hereinafter those Impugned Services specifically related to "thermal baths" for which, when used or proposed to be used with the THERME mark, are clearly descriptive and are captured by section 12(1)(b) of the TMA:

Design of health spa resorts, health and wellness centres which provide thermal baths, swimming baths (in Class 42)

Health spa resorts incorporating thermal baths, swimming pools, Turkish bath, mineral pool and hot tub facilities, hydrotherapy;
Operation of thermal baths (in Class 44)

[50] They are more limited than the list of Impugned Services at paragraph 28 of its Memorandum of Fact and Law the Applicants asked the Court to be stricken, which included, for example, “health spa resorts incorporating waterslides, sauna, health and beauty care services provided by health spas, saunas, beauty salons, sanatoriums, massage parlors, medical treatment services provided by a health spa” and “health spa resorts, health and wellness centers which provide health spa services for the health and wellness of the body and spirit”. These specifications of services can cover a health spa resort and wellness center that are completely unrelated to thermal baths. For these, the Applicants have not met their burden of proving, on a balance of probabilities, that when the THERME mark is sounded, that it is clearly descriptive of the nature of the rest of the underlined Impugned Services.

[51] I will turn my attention to address two of the arguments of the Respondent. I have reproduced hereinafter the first argument at paragraph 27 of the Respondent’s Memorandum of Fact and Law:

27. The Applicants at paragraph 27 of their Memorandum claim that the word “therme” when pronounced (in French) is indistinguishable from “thermes”. Yet, at paragraph 50 of the Applicants’ Memorandum of Fact and Law, when discussing resemblance between the parties’ trademarks for the purposes of the confusion analysis, the Applicants assert that “the uncontradicted factual evidence is that the THERME mark is pronounced THER-MA”. Such a pronunciation (THERM-MA) is obviously not sounded the same as the French word “thermes”. Clearly the Applicants cannot have it both ways: it cannot be claimed that “THERME” has one pronunciation for the purposes of paragraph 12(1)(b), but another different pronunciation for the purposes of assessing confusion. To the extent the Applicants maintain that the pronunciation of “THERME” would be “THERM-MA”, their argument that THERME is the phonetic equivalent of “thermes” and therefore clearly descriptive cannot succeed.

[52] I disagree. The Applicants are entitled to advance an argument that the average Anglophone-Canadian consumer will be confused with the trademarks under section 12(1)(d) of the TMA and a clearly descriptiveness argument under section 12(1)(b) of the TMA from the perspective of the average Francophone-Canadian consumer. The Applicants rely on the English pronunciation of the THERME mark in the Respondent's English language commercials where THERME is pronounced THER-MA, which is different from how the THERME mark would be pronounced by a French speaker in Canada. The Court must analyze in this section 12(1)(b) context, the perspective of a casual Canadian Francophone consumer pronouncing the THERME mark in the French language. Indeed, as the French language does not pronounce the letter "H", the S in THERMES is silent, and absent any evidence on this point to the contrary, I find on a balance of probabilities that a casual Canadian Francophone consumer in French would sound the (coined or otherwise) word THERME exactly the same way they would sound the word THERMES (pronounced TE-RME).

[53] Secondly, TD argues that even if "THERME" is considered phonetically equivalent to "thermes" and appears in dictionaries available in Canada, it remains an obscure and archaic term in French, unlikely to be recognised by the average French speaking Canadians and not commonly used by ordinary Canadian consumers to describe any of the Impugned Services, as supported by Dr. Poplack's evidence. The Respondent argues that it is the meaning of the word in *common parlance* that is determinative (not whether it appears in the dictionaries). The Respondent submits there is a variety of descriptive terminology used by French speaking Canadians instead, including most commonly "spa" as well as terms such as "bains thérapeutiques, établissement de cure, centre de bien-être or fitness".

[54] TD's second point is incorrect. In fact, it matters a great deal that a word (and therefore its apparent equivalent) appears in French dictionaries as the record shows in this case (see for example *Home Juice Company et al. v Orange Maison Limitée*, 1970 CanLII 153 (SCC), [1970] SCR 942 [*Home Juice Company*] at 944 and 945). The Supreme Court of Canada, when addressing similar arguments, had this to say:

In this Court, as in the Exchequer Court, the appellants in support of their contention as to the meaning of ORANGE MAISON relied especially on two dictionaries published in France in 1959: the *Petit Larousse* and the *Robert*. In both, the definition of the word "maison" used as an adjective is given as: [TRANSLATION] "that which has been made at home" and also [TRANSLATION] "of good quality".

Respondent answered that this meaning is not found in dictionaries published in Canada, namely, the *Bélisle* and the *Larousse Canadien Complet* both published in 1954. In my view, this argument is not valid. Positive evidence drawn from the works of lexicographers who give a certain meaning is in no way destroyed by the fact that others do not report it. A work of this kind is never absolutely complete and negative evidence is always in itself weaker than positive evidence.

Respondent has contended that the current meaning in France is not to be considered, that regard must be had only to the meaning current in Canada and that, in the absence of any evidence, whether by dictionaries or otherwise, that the meaning in question was current in Canada at the date of registration, no account should be taken of a recent meaning found in France only. This contention would have serious consequences if it was accepted. One result would be that a shrewd trader could monopolize a new French expression by registering it as a trade mark as soon as it started being used in France or in another French-speaking country and before it could be shown to have begun being used in Canada.

In my opinion, the wording of s. 12 does not authorize such a distinction. It refers to a description "in the English or French languages". Each of these two languages is international. When they are spoken of in common parlance they are considered in their entirety and not as including only the vocabulary in current use in this country, a vocabulary that is extremely difficult to define especially in these days when communication media are no longer confined within national boundaries.

(*Home Juice Company* at 944-945, emphasis added).

[55] Similarly here, the wording of section 12 does not authorize a distinction between being descriptive of a good or service according to its current definition in dictionaries and the common parlance and being descriptive of a good or service according to its definitions in their entirety. Instead, section 12 of the TMA prohibits registered trademarks from being “clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the goods or services in association with which it is used or proposed to be used”. Based on the wording of the TMA, as highlighted in *Home Juice Company* above, whether the word “thermes” is common parlance or known by a large or marginal number of French-speaking Canadians is less relevant once it is established, as it was by the Applicants, that it is a word in the French language. The fact that a variety of other descriptive terminology exists and is used by French speaking Canadians, including “spa” as well as terms such as “bains thérapeutiques, établissement de cure, centre de bien-être or fitness”, does not negate that THERMES as written and THERME as sounded in French means and is clearly descriptive of thermal baths and an establishment where a thermal cure or treatment is performed.

[56] TD’s submissions ask this Court to carefully and critically analyze the word THERME and compare it to the etymology of the French word THERMES. In this vein, Justice Martineau’s statement in *Ron Matusalem & Matusa of Florida Inc. v Havana Club Holding Inc., S.A.*, 2010 FC 786 [*Havana Club*] is helpful:

[16] When determining whether the Mark is descriptive or misdescriptive, a decision maker should not carefully and critically analyze the words to ascertain if they have alternate implications in the abstract. Rather, a decision maker should apply common sense to determine the immediate impression created by the Mark as a

whole in association with the wares. In short, the etymological meaning of the words is not necessarily the meaning of the words used as a trade-mark.

(*Havana Club* at para 16)

[57] Contrary to the TD's assertions, to ignore a perceived meaning of THERME as sounded by an average Canadian Francophone consumer in association with the proposed services would not be common sense. As a French and English-speaking Canadian who has lived most of her life in the province of Quebec and who was aware that the word THERMES in the French language meant thermal baths/thermal bath establishments, it would not be common sense to set aside existing dictionary meanings that confirmed my understanding of the word THERMES in the French language on the advice of an expert, as distinguished a scholar as she may be. It would also not be common sense for me to ignore the state of the register evidence filed by TD that revealed three trademark registrations comprising the French word THERMES in association with services related to thermal baths and spas, namely:

- (1) THERMES MARINS SAINT MALO & DESIGN, TMA731511, registered in association with, *inter alia*, spas, centers thalassotherapy, center restoring form, centers well being offering aesthetic care, massage services, aromatherapy, steam baths;
- (2) THERMES MARINS DE MONACO, TMA700469, registered in association with, *inter alia*, sporting and cultural activities, namely: organization of conferences...Catering services (food); and
- (3) THERMES MARINS MONTE-CARLO, TMA631932, registered in association with, *inter alia*, Hygiene and beauty treatments; massages, hydrotherapy, algae treatment, fitness and revitalization of the body by thalassotherapy and balneotherapy, organization of thalassotherapy cures, balneotherapy, hydrotherapy and physiotherapy; advice and expertise in thalassotherapy, marine hydrotherapy, including balneotherapy.

[58] Interestingly, in the last registration, the registrant filed a disclaimer to the right to the exclusive use of the words THERMES MARINS in conjunction with “health club (physical fitness, physical training). Hygiene and beauty treatment; massages, thermal therapy, algae therapy, fitness and body revitalization by seawater therapy and baths, provision of seawater therapy, bath therapy, hydrotherapy and physiotherapy; consulting and expertise in seawater therapy, marine hydrotherapy, including bath therapy" apart from the trademark. Such disclaimers were historically used by applicants to avoid or overcome an Examiner’s objection that a word of their applied-for trademark was clearly descriptive, deceptively misdescriptive or common to the trade.

[59] As such, I find that the THERME mark when sounded in French is clearly descriptive of the character of the Impugned Services specifically related to thermal baths (listed at para 50 above) at the date of their registration in September 2021.

(b) *THERME GROUP mark*

[60] I now turn my attention to the other THERME marks at issue. In my analysis, I am reminded that under section 12(1)(b) of the TMA, a trademark at issue must not be dissected into its component elements and carefully analyzed but must be considered in its entirety as a matter of immediate impression (*Wool Bureau of Canada Ltd. v Registrar of Trade Marks* (1978), 40 CPR (2d) 25 (FCTD) at 27-28; *Atlantic Promotions Inc. v Registrar of Trade Marks* (1984), 2 CPR (3d) 183 (FCTD) [*Atlantic Promotions*] 186).

[61] Even with the accepted sounded meaning in French of the THERME mark advanced by the Applicants, when THERME is combined with GROUP and the mark THERME GROUP is considered as a whole, no clearly descriptive unambiguous meaning arises from this combination of the thermal bath services. I agree with the Respondent that the THERME GROUP mark must be considered as a whole and the ordinary Francophone Canadian consumer would not clearly attribute the meaning of the complete phrase THERME GROUP to thermal baths. Given the applicable legal test and the additional word GROUP, the Applicants have not met their burden of establishing that when the THERME GROUP Trademark is used or proposed to be used, that it is clearly descriptive as sounded in French of the character of any of the Impugned Services at the date of their registration in September 2021.

(c) *THERME composite marks*

[62] Having settled whether the word marks are clearly descriptive, I now turn to the composite marks comprised of both word and design elements. A composite mark is capable of being clearly descriptive *as sounded* such that it is prohibited under section 12(1)(b) if the word element of the composite mark is the dominant feature (*Best Canadian Motor Inns Ltd. v Best Western International, Inc.*, 2004 FC 135 [*Best Canadian Motor Inns*] at para 36; *Ottawa Athletic Club* at para 29; *Fox on Trade-marks* at § 5.34). I will begin by noting, as others have before me, the inherent difficulty posed by the “as sounded” concept in section 12(1)(b) when applied to composite marks.

[63] With respect to the THERME WOMAN’S HEAD mark and THERME WOMAN mark, the design matter of those trademarks includes a depiction of a female figure on a seashell or a

female face in a triangular shape. These composite marks must be considered as a whole. Thus, the question becomes whether the word element (here, THERME) is the *dominant* or most influential element of the trademark as sounded. In *Best Canadian Motor Inns*, the Federal Court concluded that the words “Best Canadian Motor Inns” were the dominant feature of the mark reproduced below and, and given that these words were clearly descriptive of the character or quality of the applicant’s services, the mark in its entirety, when sounded, was found unregistrable pursuant to section 12(1)(b) of the TMA:



[64] I previously highlighted this issue at paragraph 185 of *Promotion In Motion, Inc. v Hershey Chocolate & Confectionery LLC*, 2024 FC 556:

... Indeed, the Courts have consistently held that **when words are the dominant component of a design mark**, the words themselves are considered the most important feature of the mark, taking into account **how the words would be sounded by consumers** (*Worldwide Diamond Trademarks Limited v Canadian Jewellers Association*, 2010 FCA 326 at para 2; *Best Canadian Motor Inns Ltd v Best Western International Inc*, 2004 FC 135 at para 36).

(Emphasis added).

[65] With respect to the THERME composite marks, the Respondent contends that:

48. With respect to the composite THERME Registrations, the design matter of those trademarks includes a depiction of a female figure, which some might perceive to be the goddess Venus (from mythology). When dealing with a trademark comprised of both design and word matter, the composite mark as a whole may be

registrable notwithstanding that the word elements (in isolation) might be considered to be contrary to paragraph 12(1)(b). The question is whether the word elements are the dominant element of the trademark. The visual impression created by the word and design elements must be assessed. If the design elements stimulate visual interest such that it can be said that the design is the dominant aspect of the trademark or at least equally prominent as the word elements the trademark will be registrable. (*Best Canadian Motor Inns Ltd. v Best Western International Inc.*, 2004 FC 135, RBOA Tab 16; *Fox on Canadian Law of Trademarks at s. 5.34*, RBOA Tab 5. See also *Trademarks Examination Manual at s. 4.4.10*, RBOA Tab 17.)

49. This inquiry that must be conducted is whether, as a matter of first impression, the ordinary consumer would perceive the word elements as being the most influential or prominent feature of the trademark as a whole. In doing so, the trademark must be considered in its totality, and the visual impression created by the word elements must be compared to the visual impression created by the design elements. Relevant factors in this inquiry include a consideration of the relative size, positioning, and style of the word elements, as compared to the relative size, positioning, and inherent distinctiveness of the design elements. In other words, is there something distinctive about the design elements in the trademark to suggest that consumers would identify the trademark by the design elements rather than just the word portion? (See e.g. *130872 Ontario Inc. o/a Factory Direct Medical, HPU Rehab and HPU Medical Wholesale and Canadian Home Medical Group Inc.*, 2023 TMOB 121 at para 22, RBOA Tab 18.)

50. In cases where there is nothing distinctive about the design elements (such as mere embellishments or stylizations of the word elements, very simple drawings, simple geometric shapes, or mere borders around word elements) the design elements will not stimulate visual interest in a way that removes visual dominance from the words. (See e.g. *Ottawa Athletic Club Inc. v Athletic Group Inc.*, 2014 FC 672 at para 186, RBOA Tab 19). In those cases, if the word elements would not be registrable by themselves, the composite mark as a whole will not be registrable. However, if the design elements stimulate visual interest to the extent that they are the dominant aspect of the trademark, or at least equally prominent as the word elements, the trademark will be registrable.

[66] The Respondent's arguments are focused on the visual impression and visual interest of the design components and seek to address this Court's jurisprudence as interpreted by the Trademarks Office in the Trademarks Examination Manual at s. 4.4.10 "Sounded test applied to composite trademarks", to show that the word elements are not the dominant element or feature of the composite marks at issue. Much of these arguments focus on the visual aspects of the THERME WOMAN'S HEAD mark or the THERME WOMAN mark, which would be persuasive had the Applicants' argued that the THERME Trademarks were clearly descriptive as depicted or written. However, that is not the Applicants' argument, which is focused solely on the THERME Trademarks being clearly descriptive *as sounded*, and which relies on the *sounded* wording of section 12(1)(b) of the TMA.

[67] While not exactly the written submissions of the Respondent, and applying the *sounded* wording of section 12(1)(b) of the TMA, I understand the Respondent's argument to be that, since the design elements are their composite marks' dominant features, a consumer viewing the mark as a whole would be so struck by the design elements that they would not sound the composite marks purely based on its word element, so they cannot be clearly descriptive. As in both *Best Canadian Motor Inns* and *Ottawa Athletic Club*, I find it difficult to see how either the THERME WOMAN'S HEAD mark or the THERME WOMAN mark could be sounded in any way other than through their word element, "THERME", which I consider dominant. This is due to its prominence and central placement within the composite marks, as well as its accessibility for sounding compared to the design elements. In my view, and as argued by the Applicants, the ordinary Francophone Canadian would not vocalize the design aspects of these marks when encountering them in association with the Impugned Services. It seems unreasonable to believe

that such a consumer would sound out or describe the design elements upon viewing the marks as a whole (e.g., “woman on a shell THERME” or “THERME woman’s head in a triangle”). Instead, they would sound out the clearly indicated and prominently featured word “THERME”, which is readily and easily pronounceable. While the design elements contribute to the visual impact of the composite marks, they have, in my opinion, little to no effect on how an ordinary Francophone Canadian would *sound* these composite marks in association with the Impugned Services. When answering the phone to take a reservation or when greeting guests, the employees would sound both composite marks as THERME. When friends give each other an appointment and agree to meet at the Respondent’s establishment, they would enunciate the composite marks as THERME. Consequently, the composite marks, when *sounded*, would be essentially identical to the THERME word mark.

[68] A similar issue was encountered in *Canadian Tire v Exxon Mobil*, 2009 CanLII 90878 (TMOB) [*Canadian Tire*], where the Board found that the word portion TOUCHLESS CAR WASH of the applied-for composite mark reproduced below is the dominant feature of the mark (despite the visually appealing Exxon Mobil tiger design). The Board found that the composite mark would be sounded by reference to the word portion and “that, as a matter of immediate impression, the average consumer would easily understand” that the basic concept of the service being provided is plainly described in the word element of the composite mark (reproduced below) registered for that service (*Canadian Tire* at para 10, as cited in *Ottawa Athletic Club* at para 29). This is particularly interesting given that the Exxon Mobil tiger design element in that applied-for composite mark has been used by and is a known indicator of source for Exxon Mobil:



[69] I find that the ordinary Francophone Canadian consumer, as a matter of immediate impression upon viewing either composite mark at issue as a whole, would sound either mark as the word French word THERMES and would easily understand that the service provided by the Respondent (being *inter alia* thermal baths) is clearly described in the THERME WOMAN'S HEAD mark and the THERME WOMAN mark as sounded by their dominant element THERME. With this in mind, despite their visually appealing design elements, I find that the THERME WOMAN'S HEAD mark and the THERME WOMAN mark *as sounded* are just as clearly descriptive of the character of the same services as referenced above for the THERME mark, and thus are and have been unregistrable under section 12(1)(b) of the TMA at the date of their registration in September 2021.

(2) Are any of the THERME Trademarks Deceptively Misdescriptive?

[70] To be deceptively misdescriptive pursuant to section 12(1)(b) of the TMA, a trademark must first be found to be descriptive (*Fox on Trade-marks* at § 5.25). Given my conclusions in the preceding section on the THERME GROUP, THERME WOMAN'S HEAD mark and THERME WOMAN mark, the only trademark that will be analysed in this section is the THERME Registration.

[71] I adopt as my own the state of the law as presented by the Respondent in its Memorandum of Fact and Law at paragraphs 41 and 42 incorporated herein. The test to determine whether a trade mark is deceptively misdescriptive is whether the general public in Canada would be misled into the belief that the goods or services with which the trademark is associated have a particular character or quality when that is not the case (*Atlantic Promotions* at para 18). The purpose of denying the registration of deceptively misdescriptive marks is to prevent the public from being misled. Even if a mark is misdescriptive, if the ordinary consumer is not likely to be deceived as to the real qualities or characteristics of the associated goods or services, the mark cannot be deceptively misdescriptive contrary to section 12(1)(b) (*Fox on Trade-marks* at § 5.25).

[72] Again, the test is a contextual one and requires consideration of the likelihood of deception in the context of the goods or services at issue. The case law makes clear that under section 12(1)(b), decision makers must apply common sense to these questions (*Havana Club* at paras 15-16; *Neptune S.A. v Canada (Attorney General)*, 2003 FCT 715 at para 11). At the same time, decision makers must not proceed on the assumption that prospective consumers or members of the public are completely devoid of intelligence or normal powers of recollection or totally unaware or uninformed as to what goes on around them (*Kruger Products L.P. v Cascades Canada ULC*, 2015 TMOB 124, citing *Michelin & Cie v Astro Tire & Rubber Co of Canada Ltd.* (1982), 69 CPR (2d) 260 (FCTD) at para 100).

[73] The Applicants argue that the THERME mark is deceptively misdescriptive in the French language of the character or quality of the rest of the Impugned Services that it did not argue was

clearly descriptive, which I have listed hereinafter: “hotel management, hotels, restaurant services, take-out restaurant services and snack bar services, namely, bar and café services; hotel services; Operation of hotels; Health spa resorts incorporating hair dressing salons, hydrotherapy, light therapy and cosmetic skin tanning services, and performance measurement evaluations in the field of physical fitness”. The Applicants provide the example that an average consumer walking into a THERME restaurant or hotel, would arguably mistakenly believe they were visiting an establishment where they could obtain a thermal spa treatment, and would thus be misled, quoting from *Atlantic Promotions*, as cited in *Verger du Minot Inc. v Clos Saint-Denis Inc.*, 2014 FC 997 [*Verger du Minot*]:

In my view the proper test to be applied to the determination as to whether a trade-mark in its entirety is deceptively misdescriptive must be whether the general public in Canada would be misled into the belief that the product with which the trade-mark is associated had its origin in the place of a geographic name in the trade-mark.

(*Verger du Minot* at para 63, citing *Atlantic Promotions*)

[74] I cannot agree with the Applicants on the example of the restaurant and hotel given by the Applicants, as I have not been convinced that an average French-speaking consumer would expect a THERME-named restaurant or hotel to provide a thermal spa treatment given the dissimilarity of the services in question. In that regard, I agree with the Respondent that, as a matter of common sense, it is difficult to conclude that the average French-speaking Canadian consumer viewing THERME in association with a restaurant or hotel would somehow be misled into believing that such an establishment instead should offer or does offer “thermal bath” services.

[75] However, an average French speaking consumer who is aware of the meaning as sounded of the THERME mark who walks into a THERME health spa or THERME health and wellness center, would arguably mistakenly believe they were visiting an establishment where they could obtain a spa treatment that incorporates thermal baths, and would thus be misled and deceived if thermal spa services were not offered at the establishment. The close relationship between the THERME mark's meaning as sounded as thermal spas/establishments providing thermal spa services, and the applied-for health and wellness center or health spa in the THERME Registration, makes the deception likely. It is reasonable to conclude that, in this circumstance, the THERME mark describes something that the services are not (*Verger du Minot*, at paragraph 74). In *Verger du Minot*, this Court upheld a decision of the Board that held that the trademark CRÉMANT DE GLACE was deceptively misdescriptive to designate an "iced cider" because the word "crémant", as defined by the dictionaries, described as a type of wine (by definition made with grapes) and not an alcoholic beverage made with apples:

[74] In light of the definitions in evidence, I find that it was reasonable for the Board to accept the ordinary meaning of the words comprising the Mark, specifically a slightly sparkling wine made from frozen fruit. The word "crémant" and the expression "de glace" each have an ordinary meaning, and the expression "crémant de glace", viewed in its entirety, also has an ordinary meaning. It is clear from the decision that the Board did not dissect the Mark and that it assessed the word "crémant" when followed by the expression "de glace" in the context of the wares, ice ciders. Thus, the Board came to a reasonable conclusion that is based on the evidence when it stated "the average consumer is more likely than not to think that the word "crémant" followed by the accepted term "de glace" would infer its everyday meaning". **Accordingly, it was reasonable to find that the Mark describes something that it is not.**

(Emphasis added).

[76] As such, I agree with the Applicants that the THERME mark is deceptively misdescriptive in the French language of the character of the following additional Impugned

Services covered by the THERME Registration:

“health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, recreational areas in the nature of spas” (class 37)

“Design of health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, recreational areas in the nature of spas” (class 42)

“Health spa resorts incorporating sauna, health and beauty care services provided by health spas, saunas, beauty salons, hairdressing salons and massage parlors, medical treatment services provided by a health spa, massage, hydrotherapy; Operation of health and wellness centres which provide health spa services for the health and wellness of the body and spirit; Operation of health spa resorts, and recreational areas in the nature of spas.” (class 44)

D. *Are any of the THERME Trademarks the name in the French language of any of the Impugned Services and therefore unregistrable contrary to section 12(1)(c) and s. 18(1)(a) of the Trademarks Act?*

[77] Section 12(1)(c) of the TMA stipulates:

12 (1) Subject to subsection (2), a trademark is registrable if it is not

(...)

(c) the name in any language of any of the goods or services in connection with which it is used or proposed to be used;

[78] To contravene section 12(1)(c) of the TMA, the THERME Trademarks as a whole must clearly be the name of the services at issue based on the immediate and first impression of the casual consumer of the services in question (*ITV Technologies Inc. v WIC Television Ltd.*, 2003

FC 1056 [*ITV Technologies*] at para 81; *Unitel Communications Inc. v Bell Canada* (1995), 61 CPR (3d) 12 (FCTD) at para 137). In determining whether a mark is the name of the service in connection with which it is proposed to be used or used, the Court may consider dictionaries or other reference works to determine possible meaning for the mark (*ITV Technologies* at para 84; *Brûlerie des Monts Inc. v 3002462 Canada Inc.* (1997), 75 CPR (3d) 445 (FCTD)). The Applicants have not put forth any evidence from any dictionary or other reference works in any language, including the French language, that the THERME mark is a recognized word.

[79] A trademark that is a misspelling or variation of a word that is a name of the goods or services is not contrary to section 12(1)(c) of the TMA (see for example, *Horn Abbot Ltd. v Thurston Hayes Developments Ltd.* 1997 CanLII 5459 (FC), (1997), 77 CPR (3d) 10 (FCTD) 11). The Applicants argue that THERME has a perceived or understood meaning as the “singular of the French word “thermes”. There is no evidence of this other than counsel for the Applicants’ own view. I agree with the Respondent who cited the Federal Court’s case in *8073902 Canada Inc. v Vardy*, 2019 FC 743 at para 87 highlighting the difference between the tests under section 12(1)(c) and 12(1)(b):

[87] In *ITV Technologies Inc v WIC Television Ltd*, 2003 FC 1056 at para 81, [2003] FCJ No 1335 (QL), aff’d 2005 FCA 96 [*ITV Technologies*] the Court noted that the test under paragraph 12(1)(c) is narrower than that for the use of descriptive terms, such as in paragraph 12(1)(b). The Court found that to fall within paragraph 12(1)(c), “[t]he mark as a whole must clearly be the name of the wares or services based on the immediate and first impression of the everyday user of the registrant’s wares or services” (*ITV Technologies* at para 81).

[80] In the absence of any evidence that THERME (spelled without any S) is the *name* of any of the Impugned Services as a matter of first impression by the casual consumer of the services, the THERME Registration does not offend section 12(1)(c) of the TMA.

[81] The Applicants must also be unsuccessful with regards to the THERME GROUP and THERME WOMAN'S HEAD mark and THERME WOMAN mark, because these marks "as a whole must clearly be the name of the wares or services based on the immediate and first impression of the everyday user of the registrant's ware or services" and they are not.

E. *Are any of the THERME Trademarks confusing with Nordik's THERMËA trademarks, subject of the THERMËA Registrations, and therefore unregistrable at the date of their registration in September 2021, contrary to sections 12(1)(d) and 18(1)(a) of the TMA?*

[82] I will assess the likelihood of confusion between the THERME Trademarks subject of its THERME Registrations and the registered THERMËA mark, as the THERMËA Registration represents Nordik's strongest case in terms of the degree of resemblance when compared with the THERME Registrations. I will also consider the likelihood of confusion uniquely from the perspective of the average English-speaking Canadian consumer as Nordik only advanced that argument in its submissions a likelihood of confusion from that perspective, if demonstrated, is sufficient for section 12(1)(d) of the TMA.

[83] The test to determine the issue of confusion is set out in section 6(2) of the TMA where it is stipulated that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would likely lead to the inference that the goods and services associated with those trademarks are manufactured, sold or leased by the same person, whether

or not the goods and services are of the same general class or appear in the same class of the Nice Classification. In making such an assessment, one must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5) of the TMA: (a) the inherent distinctiveness of the trademarks and the extent to which they have become known; (b) the length of time the trademarks have been in use; (c) the nature of the goods and services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trademarks in appearance or sound or in the ideas suggested by them.

[84] These criteria are not exhaustive and different weight will be given to each one in a context specific assessment (*Veuve Clicquot; Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, [2006] 1 SCR 772 (SCC) at para 54). I also refer to *Masterpiece* at para 49, where the Supreme Court states that section 6(5)(e), the resemblance between the marks, will often have the greatest effect on the confusion analysis.

[85] The test to be applied in assessing the likelihood of confusion is: as a matter of first impression, would the casual consumer, somewhat in a hurry, who first encounters the Respondent's THERME Trademarks in association with the Respondent's Impugned Services in the marketplace, at a time when he or she has no more than an imperfect recollection of the Applicants' THERMËA mark, and does not pause to give the matter any detailed consideration or scrutiny nor to examine closely the similarities and differences between the marks, be likely to be confused as to the source of the services? In other words, would the casual consumer believe the services associated with the Respondent's THERME Trademarks were authorized, licensed, manufactured or sold by the Applicants (*Masterpiece* at paras 39-41; *Reynolds Presto Products*

Inc v PRS Mediterranean Ltd, 2013 FCA 119 [*Reynolds*] at para 20; see also *Veuve Clicquot* at paras 18-21).

[86] As indicated by the Supreme Court in *Masterpiece*, in most instances, the degree of resemblance between the trademarks at issue is the factor that is often likely to have the greatest effect on the confusion analysis. In the words of the Supreme Court, “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. As a result, it has been suggested that a consideration of resemblance is where most confusion analyses should start” (*Masterpiece* at para 49).

(a) *Degree of resemblance – s 6(5)(e)*

[87] One must consider the degree of resemblance between the marks from the perspectives of appearance, sound, and ideas suggested. The preferable approach is to begin by determining whether there is an aspect of each trademark that is “particularly striking or unique” (*Masterpiece*, at para 64).

(i) Between THERMËA and THERME

[88] Nordik submits that there is an extremely high degree of resemblance between the THERMËA and THERME marks’ appearance because THERME is composed of six letters that are entirely comprised within its THERMËA mark, plus an umlaut accent (two dots over the second common letter E – “Ë”) and a letter “A”. In contrast, TD asserts that the ËA is the

striking element in Nordik's THERMËA mark, which is notably absent in its THERME mark, which makes its appearance markedly different from the THERMËA mark.

[89] I disagree with TD's submission that the ËA is the striking element in Nordik's THERMËA mark as this Court should not "tease out and analyse each portion of the mark alone"; rather, it should consider the trademarks as a whole, as they are encountered by the relevant consumer as a matter of first impression (*Masterpiece*, above, at para 83). TD appears to ask this Court to dissect the THERMËA mark in order to distinguish it from its THERME mark. However, as the Federal Court of Appeal discussed in *Park Avenue Furniture Corp. v Wickes/Simmons Bedding Ltd.*, 1991 CanLII 11769 (FCA) [*Park Avenue*], marks must be considered in their entirety for the confusion test:

I agree with the appellant that marks are to be considered in their entirety. On this very point, H.G. Fox says the following.

...In applying these tests the first principle to be invoked is that the marks are to be looked at as totalities and not as dissected items. The idea of each mark, that is, the net impression left by the mark as a whole upon the mind is to be considered. It is the mark taken in its entirety that is to be examined and a decision then arrived at whether such mark is likely to cause confusion with one already registered... The true test is whether the totality of the mark proposed to be registered is such that it is likely to cause mistake or deception or confusion in the minds of persons accustomed to the existing trade mark. It is the combination of the marks as a whole that is to be regarded and the effect or idea of the whole that is to be compared.

(*Park Avenue* at 426, citing Fox, Harold G., *The Canadian Law of Trade Marks and Unfair Competition*, 3rd ed. (Toronto: Carswell, 1972), at 167-169).

[90] In appearance, TD's submission that the mere distinction of an accent (that is foreign to the English language) and the letter "A" are sufficient to draw any meaningful difference between the marks feels absurd. The addition of the umlaut accent over the "E" in THERMËA is hardly sufficient to discount the incontrovertible facts that both trademarks share a common second "E", that the word THERMËA appears to and does in fact contain the entirety of the word THERME with only an accent and one additional letter at the end. In my view, these are minor visual differences, which do not negate the trademarks' relatively high degree of visual resemblance.

[91] In a similar fashion to its submissions on appearance, TD tries to distinguish the marks as sounded on the ending of the word focusing on one different syllable of each word instead of assessing the marks in their entirety. TD argues that the marks differ significantly when pronounced and sounded in terms of the number of syllables, syllabification pattern and word stress. TD argues that THERME is likely pronounced as a single syllable in English (i.e. THERM) rather than as pronounced as two syllables (i.e. THER-MA or THERM-MA) as heard in its English-language advertisements on the record. The audio and video recording evidence of TD's English language advertisements filed as Exhibit M in Mr. Cantin's affidavit make it quite clear that TD used and pronounced its THERME mark as THER-MA or THERM-MA. In the English recordings put out by TD, one can clearly hear THERMA GROUP and THERMA CANADA ONTARIO PLACE and not THERME. The trademark as sounded and used in advertisement – the sound of it is clearly THERMA, not THERME. As such, Nordik argues, and I agree, that consumers would hear it advertised as THER-MA or THERM-MA and come to know that TD's THERME mark is pronounced in two syllables as THER-MA or THERM-MA,

rather than pronounced as THERM in one syllable. In comparison, the English pronunciation of THERMËA is likely THERM-MAY-A or THER-MAY-A and possibly THERM-MEE-A). Given the sound distinction of the umlaut, accent and one syllable difference (MAY), when sounded out and pronounced in English, the words THERME and THERMËA bear a moderately high degree of resemblance.

[92] As for the ideas suggested by the marks, neither THERME nor THERMËA have a dictionary definition in English, nor a clear discernable meaning. I agree with the Applicants that both THERME and THERMËA are likely to convey a similar idea in English associated with their shared prefix THERM-, meaning heat. When THERME is used in association with spa resorts and services like thermal spas, a casual Canadian Anglophone consumer of spa resorts and services like thermal spas when seeing or hearing the THERME mark would likely have the idea of the temperature differences of the alternating hot and cold treatments. When combining that meaning of heat with spa resort services like thermal spas and baths, the idea suggested by THERME when used in association with spa resort services like thermal baths would suggest the heat temperature differential where the recommended treatment is to alternate between hot and cold water treatments in different forms (baths, springs, showers, pools, waterfall features). THERMËA appears to convey a similar meaning, but with a slightly “foreign” (Scandinavian or northern European) twist. Both the evidence of TD’s and Nordik’s affiants support this finding, as the whole of this evidence suggests Anglophones would most commonly derive the meaning of the marks from the THERM- prefix.

[93] TD submits that any superficial similarity resulting from the THERM portions of both marks is irrelevant in assessing resemblance because of the commonality of the THERM-prefix in trademarks revealed by the state of the register and state of the marketplace evidence on the record.

[94] While I agree it is a factor to be considered, I give that state of the register and state of the marketplace evidence limited weight for a number of reasons, which will be explained in more detail in the surrounding circumstances factor at the end of the confusion analysis. In the meantime, suffice it to say that very little of the state of the register and state of the marketplace evidence relates to services, with even fewer relating to the relevant services at issue in this matter. In addition, there is no evidence that any of those few service marks are actually in use in Canada, or to what degree any such use has been made in Canada.

[95] The degree of resemblance factor between the THERMËA and THERME marks favours Nordik.

(i) Between THERMËA and THERME GROUP

[96] When considered as a whole, the striking element of TD's THERME GROUP mark is THERME not only because THERME is the first portion of the mark, which is often the most significant (*Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 at (FCTD) 188, but also because THERME has no meaning in the English language. This is to be contrasted with the second portion of the mark, GROUP, which has a meaning in English and is thus less distinctive than THERME. The word GROUP is defined as any collection or

assemblage of persons or things. The word GROUP is frequently used to identify a corporate entity as such. Here, the idea suggested by the THERME GROUP mark is one of the corporate entity or group of THERME businesses being more than one. It is likely that that casual consumer would understand the entity's identity to be THERME and that there is a GROUP of THERME businesses (like a number of separate THERME establishments). As THERME is the most striking part of both the THERME mark and the THERME GROUP mark, I find the addition of the word GROUP to the word THERME has no noteworthy impact on my assessment of the degree of resemblance between the THERMËÄ mark, THERME mark, and the THERME GROUP mark. Indeed, assuming without deciding at this point that a casual average consumer would likely confuse the THERMËÄ mark and the THERME mark to denote the origin of their associated services, it stands to reason that the same casual average consumer would likely confuse the THERMËÄ mark and the THERME GROUP mark and would likely believe that a corporate entity identified as the THERME GROUP is probably, and confusingly, the THERMËÄ corporate entity.

[97] Spanning the totality of my assessment of the degree of resemblance between the THERMËÄ mark, THERME mark, and the THERME GROUP mark, I find that the THERMËÄ mark and THERME mark bear a strong degree of resemblance. As I find the addition of the word GROUP to the word THERME has no noteworthy impact on my assessment of the degree of resemblance between these marks, I also find the THERMËÄ mark and the THERME GROUP bear a similarly strong degree of resemblance. This factor favours Nordik.

(ii) Between THERMËÄ and THERME composite marks

[98] Nordik did not offer any submissions specifically on the degree of resemblance between its THERMËA mark and TD's THERME WOMAN'S HEAD mark and the THERME WOMAN mark.

[99] The degree of resemblance between the THERMËA mark and both the THERME WOMAN'S HEAD mark and the THERME WOMAN mark should be considered from the perspective of their appearance, sound and the ideas suggested by them (section 6(5)(e) of the TMA). I have already held above that both the THERME WOMAN'S HEAD mark and the THERME WOMAN mark would be sounded by their dominant and readily accessible THERME element. From the perspective of the English speaking casual consumer, THERME WOMAN'S HEAD mark and the THERME WOMAN mark would be sounded as either "THER-MA" or "THERM-MA" in English, which is similar to how the THERMËA mark is sounded in English as "THER-MAY-A". As such, from a sound perspective, there is a moderately high degree of resemblance between the THERMËA mark and both the THERME WOMAN'S HEAD mark and the THERME WOMAN mark.

[100] However, other than the wording of section 6(5)(e) of the TMA, I note the instruction of the Federal Court of Appeal that the degree of resemblance between marks, even composite marks, should be assessed in respect of the appearance, sound or ideas of the marks as considered in their totality (*Christian Dior, S.A. v Dion Neckwear Ltd. (C.A.)*, 2002 FCA 29 at para 9, citing *United States Polo Assn. v Polo Ralph Lauren Corp.*, 2000 CanLII 16099 (FCA) at para 18).

[101] Where my analysis diverges from my previous analysis of the degree of resemblance between the THERMËÄ mark and the THERME mark is in the appearance and the ideas suggested by both the THERME WOMAN'S HEAD mark and the THERME WOMAN mark.

[102] As previous discussed, the idea conveyed by the THERMËÄ mark in relation to the thermal spa resort and related services is the heat and temperature differences of the alternating hot and cold treatments, with a “foreign” or Scandinavian twist. In contrast, when assessing the THERME WOMAN'S HEAD mark and the THERME WOMAN mark in their entireties, the ideas suggested are a little different given the respective designs of each of the composite marks.

[103] The THERME WOMAN mark, which includes the word “THERME” and the design of a nude Venus-like figure standing on a large seashell against a landscape, does not convey the same ideas as the THERMËÄ mark. When considered as a whole, the THERME WOMAN mark, with its word element 'THERME' that suggests the above-mentioned concept of heat associated with the thermal spa resort services, and its design element of a European-style portrait of a nude woman or goddess in a seascape, evokes a more ornate and refined image of a southern European thermal spa. This imagery conveys a sense of sophisticated relaxation when used in association with thermal baths or spas. While there is *some* resemblance to the idea conveyed by the THERMËÄ mark due to the shared THERM- prefix, the THERME WOMAN mark evokes a distinctly different feeling. It suggests a more elegant and serene experience, in contrast to the THERMËÄ mark, which conveys a more rugged, wild, and Scandinavian ambiance. Consequently, the similarity in the ideas conveyed by these marks is minimal.

[104] The THERME WOMAN'S HEAD mark is more abstract in nature. Sharing the word element THERME, this mark's design element is that of a stylized triangle and the head of what appears to be the same nude Venus-like model as the THERME WOMAN mark within the triangle. The abstract design of this THERME WOMAN'S HEAD mark in its entirety makes interpreting any idea conveyed highly subjective and complex in nature. If anything, the woman's head being confined by the triangle in the design element conveys an idea of being confined, and the Venus-like model's mildly content expression eludes a reserved feeling of contentment, as though she were mimicking the portrait of the Mona Lisa itself. When combined with the established idea conveyed by the word element THERME in isolation, the idea seeming to be conveyed by the mark in its entirety might be a sense of serenity when confined to a thermal bath or spa. While the idea being conveyed by this mark is difficult, if not impossible, to identify with any degree of precision and is highly subjective, I am satisfied that the additional complexity of whatever such idea is conveyed by the THERME WOMAN'S HEAD mark in its entirety bears only a small degree of resemblance to that of the THERMËA mark.

[105] As for the degree of resemblance in the visual appearances of the marks, having assessed separately the assessment of the marks as sounded, it suffices to say that the design elements of the THERME WOMAN'S HEAD mark and the THERME WOMAN mark are certainly visually appealing, ornate, complicated, distinctive and would draw the eye of the consumer. In their entirety, the THERME WOMAN'S HEAD mark and the THERME WOMAN mark cannot escape bearing some degree of resemblance in appearance to the THERMËA mark given the shared THERME element, but that degree of visual resemblance is minimized (though not

eliminated) by the complex and intricate designs that deviate the appearance significantly from the THERMËA mark.

[106] Having assessed the degree of resemblance in appearance, sound and ideas suggested by the THERMËA mark, THERME WOMAN’S HEAD mark and the THERME WOMAN mark, I find overall that this factor of degree of resemblance favours TD.

(b) *Inherent Distinctiveness – section 6(5)(a)*

(i) Between THERMËA and THERME

[107] From the perspective of the English-speaking Canadian consumer, the THERME mark is an invented word, and benefits from some inherent distinctiveness. Similar to the THERME mark, the THERMËA mark is an invented word. The THERMËA mark has a slightly higher degree of inherent distinctiveness from the perspective of the English-speaking consumer as it has the foreign umlaut accent and the letter “A”, which adds both an audible distinction and a “foreign” or Scandinavian twist that the THERME mark lacks.

[108] In making these findings on the inherent distinctiveness of both the THERME and THERMËA marks, I have been conscious of TD’s evidence of the state of the register and state of the marketplace. As will be explained in more detail in the surrounding circumstances factor at the end of the confusion analysis, there are less than five registered trademarks bearing the THERM- prefix in association with the spa resort and wellness services and related restaurant services on the Trademarks Register. This extremely small number of registered marks does not

demonstrate a lack of inherent distinctiveness in THERM-formative marks like the parties' respective marks in this area of services (*Micro Focus (IP) Limited v Information Builders Inc*, 2014 FC 632 at para 7).

[109] On the balance, I find this factor favours Nordik.

(ii) Between THERMËA and THERME GROUP

[110] For the same reasons mentioned above for the THERME mark, I find the THERME GROUP mark has some inherent distinctiveness. On the balance, I find this factor favours Nordik.

(iii) Between THERMËA and THERME composite marks

[111] I note, however, the detailed and visually ornate and appealing design elements of both the THERME WOMAN'S HEAD mark and the THERME WOMAN mark. To these composite marks, I attribute greater inherent distinctiveness that I qualify as moderate. On the balance, I find this factor favours TD.

(c) *Extent to which the marks are known (or acquired distinctiveness) – section 6(5)(a) – and Length of time in use – section 6(5)(b)*

[112] While the THERME Trademarks have been registered for approximately three years at this point, there is very little evidence of the THERME mark's use in association with the proposed services and there is no evidence of the use of either the THERME GROUP mark, the

THERME WOMAN'S HEAD mark, or the THERME WOMAN mark. Given the state of development of the Ontario Place where TD's THERME business will be located and the limited evidence relating to TD's advertisements where the THERME mark was used, I find the extent to which the THERME mark has become known as of September 2021 to be marginal at best.

[113] In contrast, the record does permit me to conclude that the THERMËA mark was known, as of September 2021, in a region of Canada (Winnipeg) in association with the registered spa resort services that include restaurant services. Justice Lemieux in *Kamsut, Inc. v Jaymei Enterprises Inc.*, 2009 FC 627 indicated:

[65] It is well accepted in trade-mark law that in order to be distinctive it is not necessary for the mark to distinguish the wares throughout Canada. The mark will remain distinctive so long as people within a particular area of Canada recognize the mark as representing the owner of the wares. In addition, it is not necessary for the owner of the trade-mark to show itself to be the sole user of the mark to demonstrate distinctiveness (see *ITV Technologies, Inc. v. WIC Television Ltd.*, 2003 FC 1056 (CanLII), [2003] F.C.J. No. 1335, 29 C.P.R. (4th) 182, at paragraphs 98 and 99 and *Alibi Roadhouse Inc. v. Grandma Lee's International Holdings Ltd.*, 1997 CanLII 5565 (FC), [1997] F.C.J. No. 1329) for the proposition that a trade-mark registration may be maintained if it had local distinctiveness. Furthermore, *Bojangles' International, LLC v. Bojangles Café Ltd.*, 2006 FC 657 is authority for the proposition that to negate distinctiveness of a trade-mark, another mark must be known in Canada to a substantive extent.

[114] Mr. Cantin's evidence that the Winnipeg Spa was open in 2015 outlines use of the THERMËA marks in association with their registered services since at least 2015. Mr. Cantin provides advertisements and publicity over the years and yearly sales since 2018 in the form of number of visitors having visited the Winnipeg Spa and having used their spa resort and related services in association with the THERMËA mark. This evidence, while not extensive, is

sufficient to establish the trademark's acquired distinctiveness. TD's THERME mark is not "known in Canada to a substantive extent" "to negate distinctiveness of [the THERMËA] trademark". This factor favours Nordik.

(d) *Nature of the services and channels of trade – sections 6(5)(c) and (d)*

[115] Nordik's THERMËA Registration covers "the operation of a spa and wellness center offering sauna services, therapeutic baths, hot tubs and cold bath, steam baths, floating baths, relaxing and therapeutic massages, body care for face, body and feet; restaurant-bar services; operation of a store offering dressing gowns and sandals" [registered THERMËA services]. Nordik's evidence shows that it has used the THERMËA mark and trade name continuously since January 16, 2015 at its Spa Winnipeg spa and wellness center in association with all of its registered THERMËA services. The nature of the registered THERMËA services are virtually identical or sufficiently related to the large majority of the Impugned Services in the THERME Registrations, except for the following Impugned Services: hotel management, development and construction of hotels, design of hotels, hotel services, operation of hotels, health spa resorts incorporating waterslides, light therapy and cosmetic skin tanning services, and performance measurement evaluations in the field of physical fitness. The associated channels of trade for those services being those same spa resorts are also virtually identical or closely related, which would seek to attract and attract the same or similar consumers and are services and resorts that would compete directly with each other. This factor favours Nordik.

(e) *Surrounding circumstances – state of the register and state of the marketplace*

[116] State of the register evidence are a surrounding circumstance to be taken into consideration in the confusion analysis when it can be shown that the presence of a common element in marks would cause consumers to pay attention to the other features of the marks, and to distinguish between them by those other features. State of the register evidence is relevant insofar as one can draw inferences from it regarding the state of the marketplace (*McDowell v Laverana GmbH & Co. KG*, 2017 FC 327 [*McDowell*] at para 42). Inferences regarding the state of the marketplace may be drawn from state of the register evidence in two situations: 1) a large number of relevant registrations are located; and 2) there is evidence of common use in the marketplace of relevant third party marks (*Kellogg Salada Canada Inc. v Maximum Nutrition Ltd* (C.A.), 1992 CanLII 14792 (FCA), [1992] 3 FC 442 [*Kellogg*]; *McDowell* at paras 41-46). Relevant trademarks in state of the register evidence include those that (i) are registered; (ii) cover similar goods and services as the marks at issue, and (iii) include the component at issue in a material way (*Sobeys West Inc. v Schwan's IP, LLC*, 2015 TMOB 197).

[117] TD submits that Canadian courts recognize that members of the consuming public are not without normal powers of recollection and the fact that two trademarks may share a suggestive element, like the prefix THERM-, is not determinative of the issue of a likelihood of confusion. TD points to the suggestive nature of the prefix THERM- as well as the coexistence of THERM-formative marks in the Applicants' own field of use indicates that such marks (like Nordik's THERMËA Trademarks) are not entitled to a particularly broad ambit of protection and consumers can be expected to distinguish between such marks without any likelihood of confusion. TD submits that it has been consistently held that even relatively small differences between marks composed of such elements will prevent any likelihood of confusion in the

Canadian marketplace and points to the Supreme Court in *General Motors Corporation v Bellows*, 1949 CanLII 47 (SCC), [1949] SCR 678 at 691, which held:

It comes in the end, I think, than no more than this: that were a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolize the words.

[118] TD submits that some confusion between the marks is inevitable and not actionable as between the parties because of the commonality of marks bearing the THERM- prefix. TD cites paragraph 188 of *Walt Disney Productions v Triple Five Corp.*, 1994 CanLII 5264 (AB KB)

[*Walt Disney Productions*]:

188 Even where services are identical, where the name is descriptive rather than distinctive, a certain amount of confusion may be inevitable without sanction: *Young*, at p. 43; and *Office Cleaning Services Ltd. v. Westminster Window & General Cleaners Ltd.* (1946), 63 R.P.C. 39 (H.L.). In the latter authority, Lord Simonds, at p. 43, said:

So long as descriptive words are used by two traders as part of their respective trade names, it is possible that some members of the public will be confused whatever the differentiating words may be ... It comes in the end, I think, to no more than this, that where a trader adopts words in common use for his trade name, *some risk of confusion is inevitable*. But that risk must be run unless the first user is allowed unfairly to monopolise the words. *The Court will accept comparatively small differences as sufficient to avert confusion*. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered. [Emphasis added.]

(*Walt Disney Productions* at para 188).

[119] I agree with the principle *Walt Disney Productions* discusses that a certain amount of inevitable confusion where the mark is descriptive rather than distinctive. TD has not, however,

satisfied the Court that this principle is their saving grace in this matter. I turn first to TD's evidence of the state of the register for the commonality of the THERM- in marks and then to TD's state of the marketplace evidence.

[120] As mentioned above, the affidavit of Ms. Buckingham provides the results of a search for any active THERM-prefixed marks, whether they be registrations or applications, in health, wellness, spa, fitness, pool, water-related goods and services; there are no limitations to services covered in this search. While Ms. Buckingham's search yielded 83 active applications and registrations, 19 of these are applications and only 64 are registrations. Of the 64 registrations, two stand in the name of Nordik, while four stand in the name of TD. On review of the search results revealing 58 third party registrations, I find a large number of these (43) are not particularly relevant, as they are only registered for use with goods (not any services at all, which is the central focus of this case). Another 12 third party registrations are registered for use in association with services that are unrelated to the Impugned Services; for example, cosmetic surgery services (THERMIVA); providing website featuring information in the field of prevention and treatment of leg ailments (THERMAWEDGE); distribution of services in the field of health, natural health products (THERMO DRIVE); services of points of sale and exposition in field of care of spa body and auxiliary thermal activities in water (THERMALTHERAPY); sport and cultural activities, film production, dance shows, fashion shows, restaurant services (THERMES MARINS DE MONACO); physical therapy program (THERMAKINETICS); services relating to a professionally supervised weight loss (THERMODIET); photographic services, medical and industrial diagnostic services through the

use of an apparatus showing the temperature distribution of an object or person
(THERMOVISION).

[121] Indeed, only three third-party registrations are related to the Impugned Services at issue, with the first two referenced below being directly related to the Impugned Services and with the third one being only peripherally related to the Impugned Services:

Spa services, thalassotherapy centers, wellness centers, massage services, wellness centers offering esthetic care services, etc.
(THERMES MARINS SAINT MALO & DESIGN);

Hydrotherapy, algae treatment, fitness and revitalization of the body by thalassotherapy and balneotherapy, organization of thalassotherapy cures, balneotherapy, hydrotherapy, etc.
(THERMES MARINS MONTE-CARLO);

Construction of ... thermal springs...sauna facilities...of massage and therapeutic facilities; managing facilities for vapour baths, saunas and rooms for thermal therapy... planning of the construction of swimming pools, thermal facilities, sauna facilities, etc. (THERMARIVM & Design).

[122] These three third-party registrations are well below the threshold for an inference on the state of the marketplace to be drawn, which is likely why TD also filed separate state of the marketplace evidence.

[123] Similarly, the affidavit of Ms. San Agustin provides the results of a search of various websites and her observations confirming the accessibility and availability of product and service offerings for purchase in Canada in association with THERM-prefixed business names and marks. While Ms. San Agustin's search yielded over 50 websites, only two businesses offered services, while the rest offered goods. A review of the search results reveals: one

THERMAWEDGE business offering the services of providing information in the field of prevention and treatment of leg ailments, which services are unrelated to the Impugned Services. The other is a THERMARIVM business located in Tokyo, Japan involved the services of planning, design, construction and other consultation regarding hotel, spa, hot spring spa, which services are somewhat related to the Impugned Services at issue, but there is no indication of any business offering in Canada.

[124] At the hearing, the Court asked TD to advise whether any of the trademarks revealed in Ms. Buckingham's search of the Trademarks Register were revealed in the website marketplace search conducted by Ms. San Agustin. TD submitted a concordance chart with the requested information for 48 of the 83 trademark applications and registrations revealed in the affidavit of Ms. Buckingham. The only trademark registered in association with services that is listed in the concordance chart is the previously referenced THERMARIVM & Design mark with reference to a Japanese website, where the business operations are described *inter alia* as "plan and consulting about a hotel, a spa, and a hot spring spa" for a business located in Japan, and there is no indication of any activity in Canada.

[125] Nordik cites the Federal Court of Appeal in *Molson Co. v John Labatt Ltd*, (1994), 58 CPR (3d) 527, [*Molson Co.*] at para 8 for the principle that:

In considering the possibility of confusion between any two trade marks, it is a well recognized principle that, where those two marks contain a common element that is also contained in a number of other marks in use in the same market, such a common occurrence in the market tends to cause purchasers to pay more attention to the other or non-common features of the respective marks and to distinguish between them by those other features.

[126] Drawing from *Molson Co.* reference to “a common occurrence in the market”, Nordik indicates that two conditions must be established for the above-mentioned principle to apply, namely the third party marks containing a common element must be (1) commonly or frequently used, and (2) used in the same relevant market. Nordik argues that these two conditions do not apply in the state of the register and state of the marketplace evidence filed by TD in this matter. Nordik points to the Board’s decision in *Ports International Limited v Dunlop Limited*, 1992 CanLII 7031 (CA TMOB), which held as follows:

The applicant also sought to **rely on state of the register evidence by way of the McPhail affidavit to establish that marks including the word PORT are common to the clothing trade.** However, the registrations appended to the McPhail affidavit are insufficient to allow any meaningful inferences to be made respecting possible widespread use of marks including the word PORT in the clothing trade. Some of the marks do not include the word PORT as a significant element of the mark and **some of the registrations do not cover clothing wares.** At best, the McPhail affidavit evidences five or six relevant marks. **The existence of half a dozen third party registrations for marks including the word PORT for clothing with no evidence of use of those marks is far from sufficient to allow me to infer that any of them have been in active use.** It is not possible to infer from such evidence that there had been common adoption of such marks in the trade such as to reduce the likelihood of confusion between the two marks at issue: see *Coca-Cola Co. of Canada Ltd. v. Pepsi-Cola Co. of Canada Ltd.* (1942), 1942 CanLII 344 (UK JCPC), 1 C.P.R. 293 at 299, [1942] 2 D.L.R. 657 (P.C.) and *Molson Cos. Ltd. v. Oland Breweries Ltd.* (1988), 20 C.P.R.(3d) 270 at 274-275 (T.M.O.B.).

(Emphasis added).

[127] Given my analysis above for both the state of the register and state of the marketplace evidence, I agree with Nordik. The existence of only two third party registrations for marks including the THERM- prefix registered in association with spa and wellness services with no evidence of use of those marks is far from sufficient to allow me to infer that any of them have

been in active use. The evidence adduced by TD's affiants of other marks using the THERM-prefix show some commonality for certain goods is not sufficient. This case is clearly distinguishable from those cited by TD to demonstrate this sort of commonality, such as *Kellogg*, where the evidence showed "at least 47 trade mark registrations and 43 trade names" using the same prefix in association with the same goods existed as of the filing date (*Kellogg* at 456).

[128] In view of the foregoing, when coupled with the absence of corroborative state of the marketplace evidence in the relevant market, I do not consider the state of the register to be a relevant surrounding circumstance of assistance to TD in the case at hand. Rather, the state of the register and marketplace evidence on the record appear to show that the only THERM-formative (and THERME-formative) mark used in Canada in association with spa and wellness services is the THERMËA trademark of Nordik. This factor favours Nordik.

(f) *Conclusion on confusion analysis*

[129] Nordik has met its burden of demonstrating the likelihood of confusion between its THERMËA mark and TD's THERME mark and THERME GROUP mark for the following underlined and bolded Impugned Services, which are ones that are either directly covered by Nordik's THERMËA Registrations or are services that are sufficiently related thereto:

35 (1) Business management and hotel management.

37 (2) Development and construction of **health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths,** waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.

39 (3) Operation of launch areas for watercraft.

41 (4) Operation of recreational areas in the nature of **swimming baths**, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports; Operation of **swimming baths**, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports.

42 (5) Design of **health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths**, waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.

43 (6) **Restaurant services, take-out restaurant services and snack bar services, namely, bar and café services**; Hotel services; Operation of hotels.

44 (7) **Health spa resorts incorporating thermal baths, swimming pools, waterslides, sauna, Turkish bath, mineral pool and hot tub facilities, health and beauty care services provided by health spas, saunas, beauty salons, sanatoriums, hairdressing salons and massage parlors, medical treatment services provided by a health spa, massage, hydrotherapy, light therapy and cosmetic skin tanning services, and performance measurement evaluations in the field of physical fitness; Operation of health and wellness centres which provide health spa services for the health and wellness of the body and spirit; Operation of health spa resorts, thermal baths, and recreational areas in the nature of spas.**

[130] In my view, from the perspective of the average English-speaking Canadian consumer, TD's THERME and THERME GROUP marks are likely confusing for the underlined and bolded Impugned Services and said casual consumer would likely believe these Impugned Services, when associated with TD's THERME mark and THERME GROUP mark, would be authorized, licensed, or offered by Nordik, the owner of the THERMËA mark.

[131] However, Nordik did not meet its burden of proving confusion between TD's THERME WOMAN'S HEAD and THERME WOMAN marks, as the distinctiveness, the appearance of and

ideas suggested by the composite marks as a whole (which included design elements) outweighed any resemblance in sound to the THERMËA mark. The degree of resemblance and inherent distinctiveness factors in favour of TD tipped the scale in favour of a finding of no likelihood of confusion with TD's THERME WOMAN'S HEAD mark and the THERME WOMAN mark. The presumption of validity afforded to TD's registrations for the THERME WOMAN'S HEAD mark and the THERME WOMAN mark must prevail, and any doubts must be resolved in favour of the validity of these registrations.

F. *Is TD not the person entitled to secure the THERME Registrations because, at the date of the filing of the relevant applications for the THERME Trademarks, namely on March 16, 2018, the THERME Trademarks were confusing with the THERMËA Trademarks of Nordik that had been previously used, under license of Nordik, by Spa Winnipeg as a trademark and tradename, contrary to sections 16(1)(a), 16(1)(c) and 18(1)(d) of the TMA?*

[132] Section 16(1)(a) and (c) of the TMA provides that a party is entitled to register a mark unless it was confusion with a trademark or tradename previously used or made known in Canada. In this expungement proceeding, the relevant date for the assessment of entitlement is March 16, 2018 as it is the earlier of the two referenced dates in Section 16(1), namely the filing date of TD's applications for the THERME Trademarks.

[133] Nordik's evidence shows that it has used the THERMËA mark and trade name continuously since January 16, 2015 at its Spa Winnipeg spa and wellness center in association with all of its registered services, namely the operation of a spa and wellness center offering sauna services, therapeutic baths, hot tubs and cold bath, steam baths, floating baths, relaxing and therapeutic massages, body care for face, body and feet; restaurant-bar services; operation of

a store offering dressing gowns and sandals. Nordik's submissions relating to this ground of invalidity were limited to one paragraph and referred to their similar arguments under section 12(1)(d) above.

[134] TD submits that the "extent to which known" and "length of time in use" factors of the confusion analysis under section 16(1) in favour of Nordik should be given less weight given the earlier material date of March 16, 2018, which is not too far off from the opening of the Spa Winnipeg in 2015. I agree that as of the earlier material date of March 16, 2018, Nordik's THERMËA marks would have been less known in Canada than they were three years later in September 2021. However, given my findings above about TD's marginal or lack of use of the THERME Trademarks at that time, those factors, while less favourable to Nordik, would still favour Nordik. While slightly weaker, Nordik's case under section 16(1)(a) and (c) is still successful for similar reasons referenced above relating to section 12(1)(d).

[135] One potential difference under section 16(1)(a) and (c) is related to hotel management, hotel services, operation of hotels, which are part of the Impugned Services that Nordik seeks to strike from the registered services in the THERME Registrations, which services are not registered services in the THERMEA Trademarks. I verified the evidence of Mr. Cantin regarding the accommodation services it offered in partnership with Winnipeg hotels and the Wayback machine evidence submitted only goes back to May 13, 2019, which is unhelpful to Nordik since it is after the material date under section 16(1). In this case, the date at which the issue of confusion is assessed does not change the results of my analysis.

[136] In my view, the analysis of the issue of a likelihood of confusion under section 16(1)(a) is effectively the same to that for the section 12(1)(d) ground of invalidity. That is to say, the earlier material date for the section 16(1)(a) ground does not materially change the analysis. Accordingly, Nordik is successful for the section 16(1)(a) ground of invalidity for reasons similar to those set out previously with respect to the section 12(1)(d) ground of invalidity and for the same Impugned Services as those referenced above with respect to the section 12(1)(d) ground of invalidity.

G. *Are any of the THERME Trademarks non-distinctive on the date these expungement proceedings were commenced, namely on February 1, 2023, contrary to sections 2 and 18(1)(b) of the Trademarks Act?*

[137] Nordik argues that the THERME Trademarks are non-distinctive from the perspective of being either clearly descriptive or by being confusing with its THERMËA mark. In my view, the analysis of the issue of the non-distinctiveness under sections 2 and 18(1)(b) of the TMA is effectively the same to that for the sections 12(1)(a) (clearly descriptiveness) and 12(1)(d) (confusion) grounds of invalidity, and will not be repeated here. The sum of the similarities in these analyses is that the THERME Trademarks are non-distinctive in respect of the above-specified Impugned Services from the perspective of being either clearly descriptive or by being confusing with Nordik's THERMËA mark for the purposes of sections 2 and 18(1)(b) of the TMA.

V. Costs

[138] Nordik submits that, this proceeding having presented no particular difficulty, the costs should be assessed according to the middle of column III of Tariff B of the *Federal Courts*

Rules, SOR/98-106. TD submits that the costs should be assessed at the mid-to-high end of column IV.

[139] Since Nordik is in large part successful in this matter, it is entitled to costs to be assessed according to the middle of column III of Tariff B.

VI. Conclusion

[140] In conclusion, the Court finds that the expert evidence provided by Dr. Poplack does not meet the necessary criteria for admissibility and is excluded from consideration. Nordik has successfully demonstrated that the THERME, THERME WOMAN, and THERME WOMAN'S HEAD marks are clearly descriptive as sounded of the above-specified Impugned Services and are therefore invalid for those above-specified Impugned Services. Likewise, the Court finds that there is a likelihood of confusion between TD's THERME and THERME GROUP marks and Nordik's THERMËA mark, separately rendering these two marks invalid for those above-specified Impugned Services. However, the Court finds that there is no likelihood of confusion between TD's THERME WOMAN and THERME WOMAN'S HEAD marks given their inherent distinctiveness and their lessened degree of resemblance both in appearance and in the ideas suggested by them as with the THERMËA mark. Additionally, the earlier use of Nordik's THERMËA mark entitles it to protection under sections 16(1)(a) and 16(1)(c) of the TMA, and the Court finds that TD was subsequently disentitled to register the THERME marks for those above-specified Impugned Services. Finally, the Court finds that the THERME Marks are non-distinctive for those above-specified Impugned Services such that they are invalid under sections 2 and 18(1)(b) of the TMA.

JUDGMENT in T-225-23

THIS COURT'S JUDGMENT is that:

1. The application is granted in part.
2. The trademark registrations in the name of THERME Development (CY) Ltd., namely, registration Nos. TMA1110500 and TMA1110501, both dated September 29, 2021, for THERME and THERME GROUP respectively, are declared invalid, in part, with respect to certain registered services listed at item 3 below, pursuant to sections 18(1)(a), 18(1)(b), and/or 18(1)d) of the *Trademarks Act*, RSC 1985, c T-13.
3. The Registrar of Trademarks is directed to amend the statement of services for trademark registrations Nos. TMA1110500 and TMA1110501, both dated September 29, 2021, for THERME and THERME GROUP respectively, to delete the following underlined and bolded services:

35 (1) Business management and hotel management.

37 (2) Development and construction of **health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths,** waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.

39 (3) Operation of launch areas for watercraft.

41 (4) Operation of recreational areas in the nature of **swimming baths,** waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports; Operation of **swimming baths,** waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports.

42 (5) Design of **health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths,** waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.

43 (6) **Restaurant services, take-out restaurant services and snack bar services, namely, bar and café services;** Hotel services; Operation of hotels.

44 (7) **Health spa resorts incorporating thermal baths, swimming pools,** waterslides, **sauna, Turkish bath, mineral pool and hot tub facilities, health and beauty care services provided by health spas, saunas, beauty salons, sanatoriums, hairdressing salons and massage parlors, medical treatment services provided by a health spa, massage, hydrotherapy,** light therapy and cosmetic skin tanning services, and performance measurement evaluations in the field of physical fitness; **Operation of health and wellness centres which provide health spa services for the health and wellness of the body and spirit; Operation of health spa resorts, thermal baths, and recreational areas in the nature of spas.**

4. The trademark registrations in the name of THERME Development (CY) Ltd., namely, registration Nos TMA1110061 and TMA1110502, dated September 22, 2021 and September 29, 2021 respectively, for THERME WOMAN mark and THERME WOMAN'S HEAD mark respectively, are declared invalid, in part, with respect to certain registered services listed at item 5 below, pursuant to sections 18(1)(a), and 18(1)(b) of the *Trademarks Act*, RSC 1985, c T-13.
5. The Registrar of Trademarks is directed to amend the statement of services for trademark registrations Nos TMA1110061 and TMA111050, dated September 22, 2021 and September 29, 2021 respectively, for THERME WOMAN mark

and THERME WOMAN'S HEAD mark respectively, to delete the following underlined and bolded services:

35 (1) Business management and hotel management.

37 (2) Development and construction of health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.

39 (3) Operation of launch areas for watercraft.

41 (4) Operation of recreational areas in the nature of swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports; Operation of swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports.

42 (5) Design of health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.

43 (6) Restaurant services, take-out restaurant services and snack bar services, namely, bar and café services; Hotel services; Operation of hotels.

44 (7) Health spa resorts incorporating thermal baths, swimming pools, waterslides, sauna, Turkish bath, mineral pool and hot tub facilities, health and beauty care services provided by health spas, saunas, beauty salons, sanatoriums, hairdressing salons and massage parlors, medical treatment services provided by a health spa, massage, hydrotherapy, light therapy and cosmetic skin tanning services, and performance measurement evaluations in the field of physical fitness; Operation of health and wellness centres which provide health spa services for the health and wellness of the body and spirit;

Operation of health spa resorts, **thermal baths**, and recreational areas in the nature of spas.

6. The Applicants are entitled to their costs to be assessed in accordance to the middle of column III of Tariff B.

"Ekaterina Tsimberis"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-225-23

STYLE OF CAUSE: AUBERGE & SPA LE NORDIK INC. AND NORDIK
IMMOBILIERS WINNIPEG INC. v THERME
DEVELOPMENT (CY) LTD.

PLACE OF HEARING: OTTAWA, ONTARIO

DATE OF HEARING: JANUARY 17, 2024

JUDGMENT AND REASONS: TSIMBERIS J.

DATED: NOVEMBER 6, 2024

APPEARANCES:

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SCHEDULE “A” - THE THERME REGISTRATIONS

<u>THERME Registrations</u>	<u>Reg. No.</u>	<u>Goods/Services</u>
THERME	TMA1110500	<p>Goods:</p> <p>3 (1) Cosmetics.</p> <p>5 (2) Dietary supplements for general health and well-being, and for promoting faster muscle recovery after exercise; Health products, namely, nutritional, botanical and herbal supplements for general health and well-being, and for promoting faster muscle recovery after exercise; Health products, namely, thermal water.</p> <p>32 (3) Health products, namely, spring, mineral, vitamin enhanced and flavoured waters and combinations thereof, fruit and vegetable drinks and juices and combinations thereof, sports drinks, energy drinks, soft drinks.</p> <p>Services:</p> <p>35 (1) Business management and hotel management; Retail sale of cosmetics, dietary supplements, and health products.</p> <p>37 (2) Development and construction of health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.</p> <p>39 (3) Operation of launch areas for watercraft.</p> <p>41 (4) Operation of recreational areas in the nature of swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports; Operation of swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports.</p>
		<p>42 (5) Design of health spa resorts, health and wellness centres which provide</p>

<u>THERME Registrations</u>	<u>Reg. No.</u>	<u>Goods/Services</u>
		<p>health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.</p> <p>43 (6) Restaurant services, take-out restaurant services and snack bar services, namely, bar and café services; Hotel services; Operation of hotels.</p> <p>44 (7) Health spa resorts incorporating thermal baths, swimming pools, waterslides, sauna, Turkish bath, mineral pool and hot tub facilities, health and beauty care services provided by health spas, saunas, beauty salons, sanatoriums, hairdressing salons and massage parlors, medical treatment services provided by a health spa, massage, hydrotherapy, light therapy and cosmetic skin tanning services, and performance measurement evaluations in the field of physical fitness; Operation of health and wellness centres which provide health spa services for the health and wellness of the body and spirit; Operation of health spa resorts, thermal baths, and recreational areas in the nature of spas.</p>
THERME GROUP	TMA1110501	<p>Goods:</p> <p>3 (1) Cosmetics.</p> <p>5 (2) Dietary supplements for general health and well-being, and for promoting faster muscle recovery after exercise; Health products, namely, nutritional, botanical and herbal supplements for general health and well-being, and for promoting faster muscle recovery after exercise; Health products, namely, thermal water.</p> <p>32 (3) Health products, namely, spring, mineral, vitamin enhanced and flavoured waters and combinations thereof, fruit and vegetable drinks and juices and combinations thereof, sports drinks, energy drinks, soft drinks.</p>

<u>THERME Registrations</u>	<u>Reg. No.</u>	<u>Goods/Services</u>
		<p>Services:</p> <p>35 (1) Business management and hotel management; Retail sale of cosmetics, dietary supplements, and health products.</p> <p>37 (2) Development and construction of health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.</p> <p>39 (3) Operation of launch areas for watercraft.</p> <p>41 (4) Operation of recreational areas in the nature of swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports; Operation of swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports.</p> <p>42 (5) Design of health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.</p> <p>43 (6) Restaurant services, take-out restaurant services and snack bar services, namely, bar and café services; Hotel services; Operation of hotels.</p>
		<p>44 (7) Health spa resorts incorporating thermal baths, swimming pools, waterslides, sauna, Turkish bath, mineral pool and hot tub facilities, health and beauty care services provided by health spas, saunas, beauty salons, sanatoriums, hairdressing salons and massage parlors, medical treatment services provided by a health spa, massage, hydrotherapy, light therapy and cosmetic skin</p>

<u>THERME Registrations</u>	<u>Reg. No.</u>	<u>Goods/Services</u>
		<p>tanning services, and performance measurement evaluations in the field of physical fitness; Operation of health and wellness centres which provide health spa services for the health and wellness of the body and spirit; Operation of health spa resorts, thermal baths, and recreational areas in the nature of spas.</p>
 <p>THERME</p>	<p>TMA1110061</p>	<p>Goods:</p> <p>3 (1) Cosmetics.</p> <p>5 (2) Dietary supplements for general health and well-being, and for promoting faster muscle recovery after exercise; Health products, namely, nutritional, botanical and herbal supplements for general health and well-being, and for promoting faster muscle recovery after exercise; Health products, namely, thermal water.</p> <p>32 (3) Health products, namely, spring, mineral, vitamin enhanced and flavoured waters and combinations thereof, fruit and vegetable drinks and juices and combinations thereof, sports drinks, energy drinks, soft drinks.</p> <p>Services:</p> <p>35 (1) Business management and hotel management; Retail sale of cosmetics, dietary supplements, and health products.</p> <p>37 (2) Development and construction of health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.</p> <p>39 (3) Operation of launch areas for watercraft.</p> <p>41 (4) Operation of recreational areas in the nature of swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports;</p>


<u>THERME Registrations</u>	<u>Reg. No.</u>	<u>Goods/Services</u>
		<p>Operation of swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports.</p> <p>42 (5) Design of health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.</p> <p>43 (6) Restaurant services, take-out restaurant services and snack bar services, namely, bar and café services; Hotel services; Operation of hotels.</p> <p>44 (7) Health spa resorts incorporating thermal baths, swimming pools, waterslides, sauna, Turkish bath, mineral pool and hot tub facilities, health and beauty care services provided by health spas, saunas, beauty salons, sanatoriums, hairdressing salons and massage parlors, medical treatment services provided by a health spa, massage, hydrotherapy, light therapy and cosmetic skin tanning services, and performance measurement evaluations in the field of physical fitness; Operation of health and wellness centres which provide health spa services for the health and wellness of the body and spirit; Operation of health spa resorts, thermal baths, and recreational areas in the nature of spas.</p>
	TMA1110502	<p>Goods:</p> <p>3 (1) Cosmetics.</p> <p>5 (2) Dietary supplements for general health and well-being, and for promoting faster muscle recovery after exercise; Health products, namely, nutritional, botanical and herbal supplements for general health and well-being, and for promoting faster muscle recovery after exercise; Health products, namely, thermal water.</p>

<u>THERME Registrations</u>	<u>Reg. No.</u>	<u>Goods/Services</u>
		<p>32 (3) Health products, namely, spring, mineral, vitamin enhanced and flavoured waters and combinations thereof, fruit and vegetable drinks and juices and combinations thereof, sports drinks, energy drinks, soft drinks.</p> <p>Services:</p> <p>35 (1) Business management and hotel management; Retail sale of cosmetics, dietary supplements, and health products.</p> <p>37 (2) Development and construction of health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.</p> <p>39 (3) Operation of launch areas for watercraft.</p> <p>41 (4) Operation of recreational areas in the nature of swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports; Operation of swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, and courts for ball sports.</p> <p>42 (5) Design of health spa resorts, health and wellness centres which provide health spa services for the health and wellness of the body and spirit, thermal baths, hotels, and recreational areas in the nature of spas, swimming baths, waterparks, waterslides, landscaped gardens, play areas for children, courts for ball sports and launch areas for watercraft.</p> <p>43 (6) Restaurant services, take-out restaurant services and snack bar services, namely, bar and café services; Hotel services; Operation of hotels.</p> <p>44 (7) Health spa resorts incorporating thermal baths, swimming pools, waterslides, sauna, Turkish bath, mineral pool and hot tub facilities, health and beauty care services</p>

<u>THERME Registrations</u>	<u>Reg. No.</u>	<u>Goods/Services</u>
		<p>provided by health spas, saunas, beauty salons, sanatoriums, hairdressing salons and massage parlors, medical treatment services provided by a health spa, massage, hydrotherapy, light therapy and cosmetic skin tanning services, and performance measurement evaluations in the field of physical fitness; Operation of health and wellness centres which provide health spa services for the health and wellness of the body and spirit; Operation of health spa resorts, thermal baths, and recreational areas in the nature of spas.</p>

SCHEDULE “B” - THE THERMÄA REGISTRATIONS

[TRANSLATION]

<u>THERMÄA Registrations</u>	<u>Reg. No.</u>	<u>Goods/Services</u>
<p align="center">THERMÄA</p>	<p>TMA897305</p>	<p>Goods:</p> <p>4 (1) Candles;</p> <p>21 (2) Water bottles;</p> <p>25 (3) Bathrobes; sandals.</p> <p>Services:</p> <p>35 (1) Operation of a boutique offering bathrobes and sandals;</p> <p>43 (2) Resto-bar services;</p> <p>44 (3) Operation of a spa and wellness center offering saunas, therapeutic baths, whirlpool and cold baths, steam baths, floating baths, relaxing and therapeutic massages; body treatments for face, body and feet.</p>
<p>THERMÄA & DESSIN</p> <p align="center">  </p>	<p>TMA897306</p>	<p>Goods:</p> <p>(1) Bottles of water; bathrobes; sandals; candles.</p> <p>Services:</p> <p>(1) Operation of a spa and wellness center offering saunas, therapeutic baths, whirlpool and cold baths, steam baths, floating baths, relaxing and therapeutic massages; body treatments for face, body and feet; resto-bar services; operation of a boutique offering bathrobes and sandals.</p>