

Federal Court



Cour fédérale

**Date: 20130206**

**Docket: T-1423-11**

**Citation: 2013 FC 127**

**Ottawa, Ontario, February 6, 2013**

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

**BETWEEN:**

**THE THYMES, LLC**

**Applicant**

**and**

**REITMANS (CANADA) LIMITED**

**Respondent**

**REASONS FOR JUDGMENT AND JUDGMENT**

I. Background

[1] On March 30, 2005, the applicant, The Thymes LLC, filed an application to register the trade-mark THYMES [the Thymes application] for the following wares:

Skin soap; hair and body shampoo; non-medicated bath preparations, namely, liquid soap, bath conditioner, gels salts and body scrubs; body crème; body powder; body oil; body lotion; sachets; perfume; eau de toilette; aerosol room scenting sprays; and candles

[2] The Thymes application was based on: (a) proposed use and (b) registration in the United States of America under No. 3,308,432 and use in the United States of America. The Thymes application had a priority filing date of March 7, 2005.

[3] On June 23, 2008, the respondent, Reitmans (Canada) Limited, filed a Statement of Opposition [Opposition] against the Thymes application.

[4] On August 28, 2008, the applicant filed a Counterstatement denying the Opposition. On December 22, 2008, the opponent filed its evidence. The applicant filed its evidence on April 22, 2009. I will discuss their evidence below. Both parties filed a Written Argument and attended at the oral hearing.

[5] The Decision of the Registrar of Trade-marks [the Registrar] refusing the Thymes application was issued by the Trade-marks Office on July 5, 2011. This is an appeal of that decision. In accordance with the *Federal Court Rules*, (SOR/98-106), this appeal is treated as an application.

[6] The Notice of Application in this matter states that the Registrar erred in finding that:

- A. Use of the applicant's THYMES mark in the U.S. was required as of the filing date of the application in Canada in order to make a valid claim under s. 16(2) of the *Trade-marks Act*, (RSC, 1985, c T-13) [the Act]; and
- B. There was a likelihood of confusion between the respondent's mark THYME MATERNITY (TMA611,775) [respondent's mark] registered for use with, inter alia, body lotions and creams [respondent's wares] and applicant's THYMES mark.

[7] In support of its Notice of Application, the applicant filed additional evidence in the form of an affidavit of Jill Gerard, sworn November 7, 2011 [the Gerard affidavit]. Ms. Gerard was cross-examined on her affidavit on February 14, 2012 [Gerard Cross-Examination].

[8] In response, the respondent filed a Notice of Appearance and the Affidavit of Jonathan A. Plens, sworn December 20, 2011 [the Plens affidavit]. Mr. Plens was cross-examined on February 9, 2012 [Plens Cross-Examination].

## II. Issues

[9] The issues to be resolved in the present appeal are:

- A. Did the Registrar err in concluding that use of a trade-mark registered or applied for in a foreign jurisdiction was required in a foreign country as of the filing date of the application in Canada in order to be a valid filing basis under s. 16(2) of the Act?
- B. Did the Registrar err in concluding that there is a likelihood of confusion between the applicant's THYMES and T design trade-mark and the respondent's trade-marks and trade names?

## III. Standard of Review

[10] Given that new evidence was filed by the opponent in this matter which was not before the Opposition Board, the Court has an unfettered discretion to consider the matter and come to its own conclusion as to the correctness of the Board's decision, if the new evidence is significant and would materially affect the underlying decision (*Bojangles' International, LLC v Bojangles Café*

*Ltd*, 2006 FC 657 [*Bojangles*]; *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at paras 35, 37 [*Mattel*])

[11] However, where no new significant evidence is added on appeal, the standard of review is reasonableness simpliciter (*Molson Breweries v John Labatt Ltd*, [2000] FCJ No 159, [2000] 3 FC 145; *Novopharm Ltd v AstraZeneca AB*, 2001 FCA 296).

[12] Thus, the real question for consideration by the Court is the nature and quality of the new evidence, and whether it materially affects the decision below, so that the standard calls for a reconsideration of the evidence by the Court to determine the issues, or whether the new evidence is not significant and would not materially affect the decision below, such that the standard of review is reasonableness and considerable deference should be given to the decision below (*Telus Corp v Orange Personal Communications Services Ltd*, 2005 FC 590 at 397; *aff'd* 2006 FCA 6 (FCA)).

[13] In any case, my consideration of the new evidence does not, in any way, eliminate the Board's expertise or indeed the examiner's decision as a relevant consideration (*Mattel*, above, at paras 35 and 37):

**35** The Act provides for a full right of appeal to a Federal Court judge who is authorized to receive and consider fresh evidence (ss. 56(1) and 56(5)). There is no privative clause. Where fresh evidence is admitted, it may, depending on its nature, put quite a different light on the record that was before the Board, and thus require the applications judge to proceed more by way of a fresh hearing [page 794] on an extended record than a simple appeal (*Philip Morris Inc v Imperial Tobacco Ltd (No 1)* (1987), 17 CPR (3d) 289 (FCA)). Section 56 suggests a legislative intent that there be a full reconsideration not only of legal points but also of issues of fact and mixed fact and law, including the likelihood of confusion. See generally *Molson Breweries v John Labatt Ltd*, [2000] 3 FC 145

(CA), at paras 46-51; *Novopharm Ltd v Bayer Inc* (2000), 9 CPR (4th) 304 (FCA), at para 4, and *Garbo Creations Inc v Harriet Brown & Co* (1999), 3 CPR (4th) 224 (FCTD).

**37** What this means in practice is that the decision of the registrar or Board "should not be set aside lightly considering the expertise of those who regularly make such determinations": [page795] *McDonald's Corp v Silcorp Ltd* (1989), 24 CPR (3d) 207 (FCTD), at p 210, aff'd (1992), 41 CPR (3d) 67 (FCA). Reception of new evidence, of course, might (depending on its content) undermine the factual substratum of the Board's decision and thus rob the decision of the value of the Board's expertise. However, the power of the applications judge to receive and consider fresh evidence does not, in and of itself, eliminate the Board's expertise as a relevant consideration: *Lamb v Canadian Reserve Oil & Gas Ltd*, [1977] 1 SCR 517, at pp 527-28.

#### IV. Relevant Dates

[14] The material date for determining compliance with section 30 of the Act is the date the application was filed.

[15] The material date for considering confusion under s. 12(1)(d) of the Act is the date of the Opposition Board decision. However, where additional evidence is filed that is significant and probative, so the standard is such that the Court should consider it as a fresh hearing, the material date is the date of the appeal judgment.

[16] The material date for considering distinctiveness is the date of filing the Opposition.

#### V. Onus on the Parties

[17] While the initial evidentiary burden for the opposition is on the opponent, the legal burden or onus that the trade-mark is registrable remains on the applicant, on a balance of probabilities

(John Labatt Ltd v Molson Co, [1990] FCJ No 533, 30 CPR (3d) 293, aff'd [1992] FCJ No 525, 42 CPR (3d) 495 (FCA)).

VI. Analysis

A. *Was Use of the Applicant's THYMES Mark in the United States Required as of the Filing Date of the Application in Canada?*

[18] I will deal with the applicant's first ground of appeal. There is no doubt a proper reading of that section requires that, at the time of filing the application, if an applicant relies on registration or application and use abroad pursuant to that section, there must have been use of the trade-mark at the time of the application to rely on this section as a valid basis to obtain registration in Canada.

[19] It is clear that section 16(2) of the Act emphasizes that use of the mark in the country of origin of the applicant is a requirement for registration in Canada.

[20] Further, the last portion of section 16(2) of the Act, namely : "unless at the date of filing of the application in accordance with section 30", also supports the view that both section 16 and section 30 requirements must exist and be reviewed as at the date of filing of the application.

[21] Having regard to all of the foregoing, I find the applicant's argument is based on an incorrect reading and interpretation of section 16(2) of the Act. The ground of appeal therefore fails.

B. *Did the Registrar Err in Concluding that There is a Likelihood of Confusion Between the Applicant's THYMES Trade-Mark and the Respondent's Trade-Mark and its Trade Names?*

i. *Evidence Before the Opposition Board*

[22] The opponent's evidence consisted of certified copies of the opponent's Canadian trade-mark registrations and applications, the affidavit of Ms. Kim Schumbert [Schumbert affidavit] and the affidavit of Ms. Angelina Liapis. The applicant's evidence consisted of the affidavit of Mr. Sanjukta Tole. There were no cross-examinations on the affidavits.

[23] The hearing officer raised several concerns with the nature of the opponent's evidence before her:

- a) The opponent's evidence referred to thirteen trade-mark registrations and four trade-mark applications using the word THYME. Nine of the trade-mark registrations listing skin care products as part of the wares. Yet the Opposition only referred to five of the registered marks and the four applications with respect to the opponent's allegations of confusion;
- b) The opponent's evidence of Ms. Schumbert referred not only to all the opponent's marks, not those as pleaded, but also did not include any sales figures or invoices relating to opponent's use of THYME MATERNITY on its wares and services in Canada, or information regarding the extent of circulation of print advertising in Canada.

[24] The hearing officer refused to allow the opponent to amend its opposition to include the additional registrations not included in the Opposition.

[25] The hearing officer then found that the opponent succeeded on the first ground of opposition, namely that the applicant failed to show registration or application and use abroad of its trade-mark at the time of filing of the application in Canada, and therefore that basis for registration was invalid.

[26] The hearing officer then considered section 12(1)(d) of the Act and likelihood of confusion, and found that the opponent's case was strongest with respect to the opponent's THYME MATERNITY trade-mark registration No. 611,775. She held that if there was no likelihood of confusion with that trade-mark, the opponent would not succeed based on the remaining trade-marks asserted, as they were less similar, in appearance, or in respect of the wares and services covered in the registrations.

[27] The hearing officer held that the opponent's evidence as a whole was sufficient to show its THYME MATERNITY mark had become known to a considerable extent in Canada since 2003 through signage and use in its stores across Canada and in association with wares, directly or indirectly, as well as in catalogues from 2002 to 2008, whereas the applicant did not show any use of its trade-mark THYMES & T design. She went on to find that the factors set out in section 6(5) of the Act, including the length of time in use, the nature of the wares (overlap), the channels of trade and the degree of resemblance all favoured the opponent. Accordingly, a consumer would, as a matter of first impression, be likely to believe the skin care products associated with the opponents THYME MATERNITY trade-mark and with the opponent's THYMES & T design mark were manufactured, sold or performed by the same person.



[28] The hearing officer also found that the applicant's THYMES & T design trade-mark is likely to be confused with the opponent's previous use of its trade names, and that the applicant's trade-mark is not distinctive and not capable of distinguishing the applicant's wares from the wares covered by the opponent's trade-marks.

ii. *New Evidence Filed on Appeal*

[29] The applicant filed the affidavit of Ms. Gerard sworn November 7, 2011. The opponent filed the affidavit of Mr. Plens sworn December 20, 2011. Both affiants were cross-examined.

[30] The Gerard affidavit provides the additional evidence not before the hearing officer:

- a) The applicant's trade-mark THYMES & T design has been used in Canada as early as June 21, 2005 in association with skin care products;
- b) Previously, the applicant and its predecessors in title made continuous use of the word THYMES, in association with skin care products in Canada, from 1989 to 2005, as used in THE THYMES and the THE THYMES LIMITED.

[31] Cross-examination of Ms. Gerard confirmed this evidence.

[32] The Plens affidavit provides the following additional evidence not before the hearing officer:

- a) Print advertising in Canada showing used of the opponent's THYME MATERNITY trade-mark since as early as 1998 and in association with skin care products since 2003;

- b) Sales figures for opponent's wares making use of its THYME MATERNITY trade-mark in association with skin care products in Canada since as early as 2003;
- c) Internet use of the opponent's THYME MATERNITY mark in association with skin care products since 2003;
- d) Advertising figures for 2003 to the present date for all its THYME trade-marks;

[33] Cross-examination of Mr. Plens did not change the nature of his evidence.

[34] While both parties provided evidence relating to use and reputation of their respective trade-marks in the United States, I give no weight to this evidence, as being irrelevant for purposes of this appeal (*Interstate Brands Co - Licensing Co v Becker Milk Co*, [2000] FCJ No 358, 254 NR 360 (FCA)).

## VII. Analysis and Reasons for Judgment

[35] Having reviewed the quality of the applicant's new evidence before me, as well as the opponent's new evidence, I am satisfied that this new evidence is significant and probative with respect to the issues to be decided in this appeal. Accordingly I am deciding this matter on the facts before me and applicable legal principles, but shall, as well, give some consideration to the hearing officer's expertise below.

[36] In a nutshell, it is the applicant's position that given the weakness of the opponent's evidence, and having regard to the applicant's new evidence which establishes the applicant's use of previous trade-marks making use of the word THYMES, from 1989 to 2005, and use of its trade-

mark THYMES & T design from June 2005 to the present date, the applicant should succeed in its appeal. This is particularly so because, during either period of time, 1998 to the present, or 2005 to the present, there is a complete absence of any actual confusion with any of the opponent's trade-marks as pleaded or its trade names. Further, use of THYMES since 1989 gives prior use and therefore prior rights to the applicant with respect to using THYMES as part of a trade-mark, over any use of the trade-marks or trade names of the opponent (*Masterpiece Inc v Alavida Lifestyles Inc*), 2011 SCC 27 at paras 35-36):

**35** At the outset, it is important to recall the relationship between use and registration of a trade-mark. Registration itself does not confer priority of title to a trade-mark. At common law, it was use of a trade-mark that conferred the exclusive right to the trade-mark. While the *Trade-marks Act* provides additional rights to a registered trade-mark holder than were available at common law, registration is only available once the right to the trade-mark has been established by use. As explained by Ritchie C.J. in *Partlo v Todd* (1888), 17 SCR 196, at p 200:

It is not the registration that makes the party proprietor of a trade-mark; he must be proprietor before he can register ... .

**36** That principle established under Canada's early trade-mark legislation continues under the present Act. Rights arising from use have been incorporated into the Act by granting rights to the first user of a trade-mark in two ways. First, under s. 16, a party normally gains a priority right to register a trade-mark when it first uses that trade-mark. Second, a user is also able to oppose applications or apply to expunge registrations based on its earlier use of a confusing trade-mark. This explains why an unregistered trade-mark of Masterpiece Inc. can be the basis of a challenge to Alavida's subsequent registration application. Section 16(3) of the Act recognizes the right of a prior user against any [page404] application for registration based upon subsequent use. Section 17(1) preserves that right, subject to certain limitations that are of no relevance here, where the trade-mark has been registered.

[37] The applicant also criticizes the quality of evidence led by the opponent, both before the hearing officer and on appeal.

[38] The essential problem, as argued by the applicant's counsel, is that the Schumbert affidavit, which was filed on the opposition proceeding and relied upon by the opposition board, and the Plens affidavit, which is filed as new evidence on this appeal, both co-mingle trade-marks of the opponent relied on its Opposition with trade-marks improperly introduced into evidence, but not pleaded. These trade-marks of the opponent, not pleaded, were found to be inadmissible by the hearing officer, and yet persist in the evidence relied upon by the opponent on appeal. It is the applicant's position that given this improper reliance on all the opponent's registrations and applications, in submitting evidence of use of THYME MATERNITY by the opponent, without identifying which trade-marks specifically relate to use of THYME MATERNITY in association with skin care products, that evidence is rendered equivocal at best, and should be given little or no weight.

[39] The applicant also relies on the finding of the examiner, who advertised the applicant's application for its THYMES & T design trade-mark over the citation of the opponent's THYME MATERNITY mark and found that the word THYME has little inherent distinctiveness. The applicant submits these findings should be persuasive in concluding that small differences should suffice to distinguish the THYME & T design from the THYME MATERNITY trade-marks and trade names of the opponent, so as to avoid any likelihood of confusion (*Advance Magazine Publishers Inc v Farleyco Marketing Inc*, 2009 FC 153 at para 104). I am not persuaded that in this case the applicant's arguments can prevail.

[40] The respondent takes the position that the respondent has clearly established a likelihood of confusion and lack of distinctiveness of applicant's THYMES & T design mark, by virtue not only of its evidence before the hearing officer below, but also as bolstered by its new evidence of advertising and sales since 1998 generally, and since 2003 with respect to skin care products, as provided in the Plens affidavit. The respondent states that evidence concerning use of the word THYME by the applicant or its predecessors from 1989 to 2005 is irrelevant, as the Court should only consider the use of the applicant's trade-mark in issue, namely THYMES & T design, since 2005, as that is the only relevant trade-mark and use to be considered. That use is subsequent to the opponent's established use of its trade-marks, as pleaded, which enures to the benefit of the opponent since 1998 and at least 2003 with respect to skin care products, clearly prior to the 2005 date of applicant's use of its THYMES & T design mark. Further, nothing in the new evidence changes the facts relating to likelihood of confusion, namely:

- a) The channels of trade-mark for the sales of both parties skin care products overlap; it is not a question of what particular retail outlets the opponent evidently sells its wares in, but whether it may offer for sale and sell its wares in the same channels of trade – there is no limit in the registration;
- b) The nature of the products (skin care products) are the same;
- c) The degree of resemblance between the trade-marks is high with the word THYME or THYMES being the dominant feature of each trade-mark; and
- d) If I accept that only the 2005 date is relevant for use by the applicant, the length of time/prior use again favours the opponent.

[41] The respondent further replies that, regardless of the references to all the opponent's trade-marks in the opponent's evidence, the common elements of THYME MATERNITY, which is in all of the marks, and in its trade-name, renders the applicant's argument regarding "co-mingling" of the opponent's trade-marks, unimportant, or essentially irrelevant, in respect of the result of finding a likelihood of confusion by the hearing officer. In any event, it is argued that the opponent's new evidence establishes the necessary basis, in conjunction with Ms. Schumbert's evidence, of a likelihood of confusion with those trade-marks and trade names of the opponent, clearly showing use of THYME MATERNITY for skin care products and by the applicant's use of THYME & T design for the same or substantially the same products, whether at the date of opposition or at the date of this appeal judgment. I agree with the respondent's submissions.

[42] While the applicant may well be able to demonstrate use of the word THYMES prior to the dates of first use relied upon in the opponent's trade-mark registrations, as pleaded, or the opponent's trade names, that does not change the nature of the applicant's fundamental problems concerning its registrability of its trade-mark THYMES & T design, filed as application 1,252,795 on March 30, 2005, based upon 1) proposed use and 2) registration and use in the United States.

[43] The second basis for registration has been held invalid. The first basis requires that the applicant's trade-mark THYMES & T design be distinctive of the applicant's wares as of the date of opposition (June 23, 2008) and not be likely to be confusing with the opponent's THYMES MATERNITY trade-marks and trade names, as of either the date of the opposition board decision (June 25, 2011) or as of the date of this judgment, based on the new evidence filed by both parties. For the reasons relied upon by the respondent as set out above, the applicant must fail, in that the

evidence before the Court shows there is a likelihood of confusion with the opponent's trade-marks and trade names at the relevant date, namely the date of opposition, or the date of this judgment, which I hold to be the relevant date. Moreover, the applicant's trade-mark THYMES & T design is not distinctive of the applicant for use in association with skin care products as of the date of opposition, given the opponent's use and reputation established for its THYME MATERNITY trade-mark and trade name and THYME trade names prior to March 30, 2005.

[44] While the applicant may have grounds to challenge the validity of the one or more of the applicant's trade-mark registrations in other proceedings, based on possible prior use of THYMES, it does not change the problems concerning lack of distinctiveness and likelihood of confusion for its THYMES & T design mark as applied for on March 30, 2005.

**JUDGMENT**

**THIS COURT'S JUDGMENT is that** the applicant's appeal is dismissed with costs to the respondent.

"Michael D. Manson"

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Judge



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

**DOCKET:** T-1423-11

**STYLE OF CAUSE:** The Thymes, LLC v. Reitmans Canada Limited

**PLACE OF HEARING:** Toronto, Ontario

**DATE OF HEARING:** January 30, 2013

**REASONS FOR JUDGMENT  
AND JUDGMENT BY:** MANSON J.

**DATED:** February 6, 2013

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