

Federal Court



Cour fédérale

Date: 20101105

Docket: T-229-10

Citation: 2010 FC 1096

[UNREVISED ENGLISH CERTIFIED TRANSLATION]

Ottawa, Ontario, November 5, 2010

PRESENT: The Honourable Mr. Justice Harrington

BETWEEN:

NAUTILUS PLUS INC.

Applicant

and

CENTRES STOP INC.

Respondent

REASONS FOR ORDER AND ORDER

[1] In 2005, the applicant, Nautilus Plus Inc., filed an application to register the trade-mark STOP DIETE. The proposed use is as follows: “nutrition program, namely nutritional recommendations for active people”. The applicant disclaimed the right to the exclusive use of the term “diète” apart from the trade-mark.

[2] Centres Stop Inc. opposed the application for registration. The member of the Trade-marks Opposition Board, by the authority delegated to him by the Registrar of Trade-Marks (hereafter “the Registrar”), concluded that the unregistered trade-marks STOP POIDS and STOP WEIGHT of Centres Stop had already been used, and he refused the application of Nautilus Plus on the basis that there was a likelihood of confusion between STOP DIETE and the aforementioned trade-marks. In doing so, the remaining grounds of opposition raised by Centres Stop were rejected or not taken into consideration by the Registrar.

[3] This decision was appealed to this Court. Under subsection 56(5) of the *Trade-marks Act*, new evidence, which was not before the decision maker, was presented to the Court.

[4] This appeal must be analyzed in two parts. First, the reasonableness of the Registrar’s decision must be addressed. Second, it must be determined whether the new evidence would have had an effect on the Registrar’s decision.

[5] Centre Stop’s position in this appeal is ambiguous and unsatisfactory. After having filed new evidence to support the Registrar’s decision regarding the use of the trade-marks STOP POIDS and STOP WEIGHT, counsel for the respondent stated, in a letter to the registrar of this Court, that Centres Stop [TRANSLATION] “will not file a record or a memorandum for this application”. She adds that [TRANSLATION] “the Registrar of Trade-marks did not err in its decision . . . and the evidence filed by Nautilus Plus on appeal would not have substantial impact on the trial judgment. However, consequently, the applicable standard . . . is the standard of reasonableness”.

[6] Rule 310 of the *Federal Courts Rules* requires that the respondent serve and file a record, including in particular a memorandum of fact and law. Centre Stop's position was unilateral, without the Court's authorization, which will have consequences. Although the Court allowed Centres Stop to be heard at the hearing, I will not take into consideration the grounds of opposition initially raised by Centres Stop that were rejected or that were not taken into consideration by the Registrar.

STANDARD OF REVIEW

[7] In the absence of new evidence, the standard of review on appeal is reasonableness. As stated by Justice Binnie in *Mattel Inc. v. 3894207 Canada Inc.*, 2006 SCC 22, [2006] 1 S.C.R. 772, at paragraphs 36 and 37 :

36 . . . to the Board's determination, as this Court stressed in *Benson & Hedges (Canada) Ltd. v. St. Regis Tobacco Corp.*, [1969] S.C.R. 192, at p. 200:

In my view the Registrar's decision on the question of whether or not a trade mark is confusing should be given great weight and the conclusion of an official whose daily task involves the reaching of conclusions on this and kindred matters under the Act should not be set aside lightly but, as was said by Mr. Justice Thorson, then President of the Exchequer Court, in *Freed and Freed Limited v. The Registrar of Trade Marks et al* [[1951] 2 D.L.R. 7, at p. 13]:

. . . reliance on the Registrar's decision that two marks are confusingly similar must not go to the extent of relieving the judge hearing an appeal from the Registrar's decision of the

responsibility of determining the issue with due regard to the circumstances of the case.

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”: *McDonald’s Corp. v. Silcorp Ltd.* (1989), 24 C.P.R. (3d) 207 (F.C.T.D.), at p. 210, aff’d (1992), 41 C.P.R. (3d) 67 (F.C.A.). . . .

[8] Regarding new evidence, in the same paragraph, Justice Binnie added the following:

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 S.C.R. 517, at pp. 527-28.

In this case, if the additional evidence is relevant, the Court must review the decision in light of all of the evidence, new and old, and come to its own conclusion. In *Shell Canada Limited v. P.T. Sari Incofood Corporation*, 2008 FCA 279, 380 N.R. 317, Justice Marc Noël indicated the following at paragraph 22:

With respect to the first issue i.e., the standard of review, the question which the Federal Court Judge had to address is whether the new evidence adduced before him would have materially affected the Registrar’s findings of fact or the exercise of her discretion (*John Labatt Ltd.*, *supra*). If so, the task of the Federal Court Judge was to reassess the decision of the Registrar on the basis of the whole of the evidence and draw his own conclusion (*Canadian Tire Corp. v. Accessoires d’autos Nordiques Inc.*, 2007 FCA 367, 62 C.P.R. (4th) 436 (at para. 30)):

As this Court held in *Maison Cousin (1980) Inc. v. Cousins Submarines Inc.*, 2006 FCA 409, [2006] F.C.J. No. 1968, where new evidence, which is material to the final decision is filed, the Federal Court is not limited to finding an error in the

decision under review. The Court is entitled to draw its own conclusions on the basis of the record before it, which includes the evidence before the Registrar as well as the new evidence. In that context, the Court is obviously called to make the correct decision, but it is not reviewing the decision of the Registrar on the standard of correctness.

John Labatt Ltd. refers to *Molson Breweries v. John Labatt Ltd.*, [2000] 3 F.C. 145, 5 C.P.R. (4th) 180.

DECISION UNDER APPEAL

[9] The Registrar summarized Centre Stop's six grounds of opposition in the following manner:

1. The application for registration does not comply with the requirements of section 30(a) of the *Trade-marks Act*, R.S.C. 1985, c. T-13, (the "Act"), in that the Services are not described in ordinary commercial terms.
2. The application for registration does not comply with the requirements of section 30(i) of the Act in that the Applicant could not state that it was satisfied that it was entitled to use the Mark since it knew that the Mark was not distinctive because of the Opponent's use of trade-names and trade-marks that are similar to the Mark, as appears from the facts alleged in the statement of opposition.
3. The Applicant is not the person entitled to registration of the Mark because, at the date of filing of the application for registration, the Mark was confusing with the Opponent's marks, including CENTRES STOP, STOP POIDS and STOP APPÉTIT, previously used in Canada by the Opponent.
4. The Applicant is not the person entitled to registration of the Mark because, at the date of filing of the application for registration, the Mark was confusing with the CENTRES STOP trade-mark for which an application filed on June 30, 2005, was pending at the time this application was filed.
5. The Applicant is not the person entitled to registration of the Mark because, at the date of filing of the application for

registration, the Mark was confusing with the CENTRES STOP and STOP CENTRES trade-names previously used in Canada by the Opponent or other persons.

6. The Mark is not distinctive within the meaning of section 2 of the Act because it does not distinguish or is not adapted to distinguish the Applicant's services from the Opponent's wares and services, considering the previous use of the Opponent's aforementioned marks.

[10] The first ground of opposition, based on paragraph 30(a) of the Act, was rejected by the Registrar because Centres Stop did not present any evidence to support this ground. No new evidence was filed on appeal. This question is thus resolved.

[11] The Registrar allowed the third and sixth grounds of opposition. In doing so, he found it unnecessary to address the second, fourth, and fifth grounds and refused the application to register the trade-mark, pursuant to subsection 38(8) of the Act.

[12] The Registrar's reasoning and detailed analysis of the record shows a mastery of the subject, the Act and the applicable case law. In accordance with the Supreme Court's decision in *Dunsmuir v. New Brunswick*, 2008 SCC 9, [2008] 1 S.C.R. 190, the Registrar's decision was transparent and fell within the range of possible, acceptable outcomes in respect of the facts and law.

[13] In the decision, the Registrar first concluded that the nature of the business of both parties was the same. The Registrar then stated that the degree of resemblance between the trade-marks was the most important factor in determining the likelihood of confusion, the first portion of the trade-

mark often being considered the most important. The Registrar found that the inherent distinctiveness of the trade-marks in question was weak.

[14] Paragraphs 31, 37, 45 and 48 of the Registrar's reasons are particularly instructive. They read as follows:

[31] The Mark has a very low degree of inherent distinctiveness. The combination of the words STOP and DIETE is highly suggestive of the Services. The same can be said of the Opponent's STOP POIDS and STOP WEIGHT trade-marks. In fact, the Mark suggests the cessation of eating habits by following a diet, while the STOP POIDS and STOP WEIGHT suggest the cessation of weight gain.

[37] The Applicant has argued that the meaning of the marks at issue is different. The combination of the words STOP and POIDS suggests the cessation of weight gain. The average consumer associates this process with the cessation of a "bad" state of affairs. To use its expression, the process involves stopping the bad. According to the Applicant, the Mark does not suggest anything bad. I cannot agree with the Applicant. The word "STOP" means to cause something to cease. When juxtaposed with the word "WEIGHT" or the French equivalent "POIDS", the idea suggested is that of ceasing to gain weight. I concede that the combination of the words "STOP" and "DIETE" may seem strange at face value, but the idea of a diet is to lose or maintain weight. I conclude that, overall, the marks suggest a similar idea and that they also resemble each other visually and phonetically because of the word "STOP".

[45] I conclude that the Applicant has not discharged its burden of proving, on a balance of probabilities, that the Mark would not be confusing with the Opponent's STOP POIDS and STOP WEIGHT marks. In fact, the Mark possesses little inherent distinctiveness; the Services are of the same nature as the services offered by the Opponent in association with its trade-marks; the Mark resembles the Opponent's said marks; and the Opponent has shown use of a family of trade-marks starting with the word "STOP" in association with services of the same nature as the Services. I therefore allow the third ground of opposition.

[48] The Applicant did not submit any arguments specifically relating to this ground of opposition. It argued that there was no confusion between the Opponent's marks and the Mark. I have already concluded that there is a likelihood of confusion between the trade-mark STOP POIDS and the Mark. In the circumstances, I must allow the last ground of opposition and find that the Mark is not distinctive and is not adapted to distinguishing the Services from the services offered by the Opponent in association with the Opponent's trade-mark STOP POIDS.

[15] In terms of the evidence of use of the trade-marks, the Registrar ignored the hearsay evidence of circulation in several magazines. However, the Registrar found that there was enough evidence to establish continuous prior use of the trade-marks STOP POIDS and STOP WEIGHT. In this respect, I am of the opinion that the Registrar came to a reasonable conclusion. Thus, I will not analyze new evidence submitted in this appeal by Centres Stop.

[16] In the decision, the Registrar relies on subsections 6(2) and (5) of the Act, which stipulate as follows:

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

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

(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including	(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :
<i>(a)</i> the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;	<i>a)</i> le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;
<i>(b)</i> the length of time the trade-marks or trade-names have been in use;	<i>b)</i> la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;
<i>(c)</i> the nature of the wares, services or business;	<i>c)</i> le genre de marchandises, services ou entreprises;
<i>(d)</i> the nature of the trade; and	<i>d)</i> la nature du commerce;
<i>(e)</i> the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.	<i>e)</i> le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou dans les idées qu'ils suggèrent.

[17] It was open to the Registrar to make the findings of fact that were made and to conclude, in accordance with the Act and the case law, that there was a likelihood of confusion between the trade-marks. However, this does not in any way mean that it would have necessarily been unreasonable for the Registrar to make different findings of fact.

[18] To establish the difference between the trade-marks, Nautilus Plus relies largely on the fact that STOP DIÈTE is a word mark, while STOP POIDS and STOP WEIGHT are at the same time word and design marks. It therefore argues that the Registrar erred in concluding that the use of the graphic version of the trade-marks STOP POIDS and STOP WEIGHT was the equivalent of their word mark for the purposes of assessing the likelihood of confusion between the trade-marks.

[19] In my opinion, the documentary evidence does not support these observations. Centres Stop is under no obligation to always use its trade-marks in their graphic form as shown by certain promotional brochures filed in evidence before the Registrar, which did not include any graphic design. Furthermore, if advertising for these services was done through word of mouth, the issue of the trade-marks' graphic design is irrelevant. I agree with the Registrar that this difference is not a factor distinguishing between the trade-marks.

[20] Similarly, the evidence does not corroborate Nautilus Plus' allegations that the Registrar erred in rejecting the evidence of the state of the register supplied by the applicant and noting that the registrations cited cover very specific wares "often related to the medical field". The standard of review of reasonableness calls for deference on the part of the judge who reviews the initial decision. As mentioned by Justice Iacobucci in *Canada (Director of Investigation and Research, the Competition Act) v. Southam Inc.*, [1997] 1 S.C.R. 748, at paragraph 80:

I wish to observe, by way of concluding my discussion of this issue, that a reviewer, and even one who has embarked upon review on a standard of reasonableness *simpliciter*, will often be tempted to find some way to intervene when the reviewer him- or herself would have

come to a conclusion opposite to the tribunal's. Appellate courts must resist such temptations. My statement that I might not have come to the same conclusion as the Tribunal should not be taken as an invitation to appellate courts to intervene in cases such as this one but rather as a caution against such intervention and a call for restraint. Judicial restraint is needed if a cohesive, rational, and, I believe, sensible system of judicial review is to be fashioned.

[21] At paragraph 45 of the Registrar's decision, above, the Registrar affirms that Centres Stop demonstrated the use of a family of trade-marks using the word "stop". This may or may not be the case, but it is not a determining factor, given that the premise on which this paragraph was based was the confusion between the trade-marks STOP DIÈTE and STOP POIDS.

NEW EVIDENCE

[22] To support its argument that the ideas suggested by the trade-marks are totally different, Nautilus Plus introduces several definitions of the term "diète", a word that Nautilus Plus claims has a different meaning from the one given to it by the Registrar. Excerpts from the Yellow Pages are also presented to demonstrate that Centre Stop's advertising is directed at a clientele completely different from that of Nautilus Plus.

Meaning of STOP DIÈTE

[23] A dictionary definition of the term "stop", but not of the term "diète", had been provided to the Registrar. In this regard, a number of definitions of the term "diète" were presented to me.

[24] The *Grand Robert de la Langue française*, 2nd edition, Paris, 1988, defines the term “stop” as a [TRANSLATION] “command or shout to stop”, this definition coming from English. This definition was before the Registrar when he rendered his decision.

[25] According to the *Concise Canadian Oxford Dictionary*, Oxford University Press Canada, 2005, the term “stop” has multiple meanings in the English language, notably “check or impede the operation or onward movement of (a person or thing)”. This word is deemed to have come from German and may be traced back to colloquial Latin.

[26] Nautilus Plus submits that if the Registrar had had the definition of the word “diète” before him when making his decision, he would have come to a different conclusion. I have before me a series of definitions from various editions of the *Nouveau Petit Robert* and the *Petit Larousse*, both published in France, as well as a definition from the *Multidictionnaire de la langue française*, published in Montréal in 2005, and thus more relevant to this matter. The *Multidictionnaire de la langue française* defines the term “diète” as a [TRANSLATION] “dietary regimen prescribed by a doctor. A liquid diet. A low-salt, iron-rich diet. Not to be confused with a weight-loss program”.

[27] According to Nautilus Plus, if this evidence had been submitted to the Registrar, he would not have concluded at paragraph 37 that “the word ‘STOP’ means to cause something to cease. When juxtaposed with the word ‘WEIGHT’ or the French equivalent ‘POIDS’, the idea suggested is that of ceasing to gain weight”. In my opinion, this new evidence, in the form of dictionary definitions, is not material and would not have had any effect on the Registrar’s decision.

[28] The Registrar also concluded that there was a possibility of confusion between the trademarks STOP DIÈTE and STOP WEIGHT, the English version of Centres Stop's trade-mark. This question brings issues of bilingualism into play, as well as differences in interpretation based on spoken language.

[29] The likelihood of confusion is measured according to consumers who are likely to use the services in question. The test includes "the casual consumer somewhat in a hurry", as noted by the Supreme Court in *Mattel*, above, at paragraphs 56 and following. This person is not impulsive, negligent, or distracted, but also not very informed and not an expert on the matter. We must give the average consumer a certain amount of credit. In this respect, Justice Binnie mentions at paragraph 58 of *Mattel* that:

. . . In appropriate markets, such a person is assumed to be functionally bilingual However, if ordinary casual consumers somewhat in a hurry are likely to be deceived about the origin of the wares or services, then the statutory test is met.

[30] Similarly, the meaning of basic words comes from their colloquial use and may change over time. Language is not imposed by a higher power. The word precedes the dictionary. Despite being meant as a homage to the English language, what I said in *Vibe Ventures LLC v. 3681441 Canada Inc.*, 2005 FC 1650, 45 C.P.R. (4th) 17, at paragraph 35, equally applies to the French language: "the genius of the English language is such that a word may mean different things to different people at different times and in different places".

[31] I am not satisfied that the *Multidictionnaire* reflects the Quebec reality and the similarity between the English and French words. Several other French dictionaries define the term “diète”. For example, the *Petit Larousse Illustré*, 2004, defines this term as [TRANSLATION] “1. Regimen based on certain foods for hygienic or therapeutic purposes. 2. Momentary total or partial abstention from food, for health reasons”.

[32] In English, the *Concise Canadian Oxford Dictionary*, above, defines the term “diet” as “1. the kinds of food that a person or animal habitually eats. 2. a special course of food to which a person is restricted, esp. for medical reasons or to control weight”, which is very similar to the definition in the *Petit Larousse*.

[33] In this regard, it was entirely plausible for the Registrar to find that the term “diète”, in this context, referred to a calorie-reduced diet. The underlying concept is “stop going on diets; it doesn’t work”. Logically, “diète” combined with “stop” cannot mean “stop eating”!

[34] To conclude on this issue, I find that the new evidence is not material. However, if I am wrong, I find that there is a likelihood of confusion, in light of the evidence before me, and with respect, I adopt the reasons and conclusions of the Registrar.

Yellow Pages directories

[35] I reach the same conclusion regarding the excerpts from the Yellow Pages directories. The argument is based on the fact that Nautilus Plus and Centres Stop have completely different

clienteles. However, no evidence was adduced to establish the correlation between the advertisements in certain sections of the Yellow Pages and the actual results, or to prove that people who go to health clubs would not also consult the section of the Yellow Pages directory for medical clinics. The fact is that the trade-marks STOP DIÈTE, on the one hand, and STOP POIDS and STOP WEIGHT, on the other, all make reference to nutritional issues.

[36] Similarly, Centres Stop used a multitude of methods to make its services known to potential customers. Apart from having themselves listed in the Yellow Pages directory, they also distributed several flyers and placed advertisements in English- and French-language newspapers and magazines, and some of these materials did not use the graphical representation of the trade-mark.

[37] Whether one tries to lose (or gain) weight for cosmetic purposes or changes one's eating habits for health reasons or a physical fitness program, the decision to go on a diet simply comes down to adopting a new lifestyle. In my view, the distinction made by Nautilus Plus regarding the potential target clientele for each of the trade-marks is simply too subtle. In my opinion, even if the new evidence were material, which it is not, there would be a likelihood of confusion under paragraphs 6(2)(c) and (d) of the Act.

[38] In my view, it was reasonable for the Registrar to find that there was a likelihood of confusion between the trade-marks. Even if the new evidence were material, I am also of the opinion that the test has been met and that the Registrar made a reasonable finding.

COSTS

[39] Although costs normally follow the event of the cause, the Court has discretion in this regard. Centres Stop should have either filed a memorandum of fact and law or applied to the Court for an order exempting it from this obligation. Consequently, no costs will be awarded to Centres Stop.

ORDER

FOR REASONS GIVEN;

THIS COURT ORDERS that:

1. The appeal from the decision of the Registrar of Trade-marks, dated December 18, 2009, refusing application No. 1,263,601, is dismissed.
2. There be no award as to costs.

“Sean Harrington”

Judge

Certified true translation
Michael Palles

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-229-10

STYLE OF CAUSE: NAUTILUS PLUS INC. v. CENTRES STOP INC.

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**REASONS FOR ORDER
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DATED: November 5, 2010

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