



**LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS**

**Citation: 2016 TMOB 101
Date of Decision: 2016-06-29**

Wilhelm Kächele GmbH **Opponent**

and

The Motor Company Inc. **Applicant**

1,594,173 for EvenWall **Application**

[1] The Motor Company Inc. (the Applicant) has applied for the trade-mark EvenWall for use in association with downhole drilling motors and other goods and services related to downhole drilling motors. Wilhelm Kächele GmbH (the Opponent) has opposed the application on the basis that the EvenWall trade-mark is confusing with its use and registration for the trade-mark EVEN WALL in association with stators and rotators being parts of pumps.

[2] For the reasons that follow, I find the application should be refused.

File Record

[3] On September 13, 2012, the Applicant filed an application to register the trade-mark EvenWall on the basis of its proposed use in association with the following Goods and Services:

Goods	Motors, namely, downhole drilling motors. Printed instructional materials, namely, handbooks, workbooks, brochures, pamphlets and manuals. Stationery, namely, letterhead, paper, note pads, labels, business cards, binders and folders. Clothing, namely, shirts, t-shirts, polo shirts, jackets, coats, vests, bandanas, and golf wear. Promotional items, namely, caps, key chains, flags, banners, balloons, novelty buttons, note cards, pencils, pens, coffee mugs, decals, drink coasters, golf balls, posters, signs, stickers, watches, magnets, namely fridge magnets.
Services	Rental of downhole drilling motors. Sale of downhole drilling motors. Repair of downhole drilling motors.

[4] On August 29, 2014, the Opponent filed a statement of opposition alleging the grounds summarized below:

- (a) The application does not comply with section 30(a) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) as the Goods and Services are not described in ordinary commercial terms, specifically, the goods described as “downhole drilling motors” are not clear.
- (b) The application does not comply with section 30(e) of the Act as the Applicant did not intend to use the Mark in Canada with all of the Goods and Services. The Applicant knew, or ought to have known, that the Mark was not available for use in Canada in view of the prior use and registration of the confusingly similar trade-mark EVEN WALL by the Opponent.
- (c) The application does not comply with section 30(i) of the Act as the Applicant could not be satisfied that it was entitled to use and register the Mark in Canada with all of the Goods and Services. The Applicant was well aware of the Opponent’s confusingly similar trade-mark EVEN WALL used in Canada for almost 15 years.
- (d) The Mark is not registrable in view of the registered trade-mark EVEN WALL owned by the Opponent.

- (e) The Applicant is not the person entitled to registration of the Mark in view of section 16(3)(a) of the Act since the Mark was confusing with the Opponent's trade-mark EVEN WALL, previously used by the Opponent in association with stators and rotors being parts of pumps.
- (f) The Mark is not distinctive in that it does not actually distinguish and is not adapted to distinguish the Goods from the goods of the Opponent.

[5] The Applicant filed and served a counter statement in which it denied the Opponent's allegations.

[6] The Opponent filed as its evidence the affidavit of Bruno Kächele, its President. Copies of pages from the prosecution file for this application were attached as one exhibit to Mr. Kächele's affidavit. Despite the hearsay nature of the evidence, I am considering it for the truth of its contents, since I consider it necessary for the Opponent to file these pages in support of its grounds of opposition and that they are reliable since the Applicant, being a party, had the opportunity to refute the statements therein [*Reliant Web Hostings Inc v Tensing Holding BV* 2012 CarswellNat 836 (TMOB) at para 35].

[7] The Applicant did not file evidence. Only the Applicant filed a written argument. A hearing was not requested.

Material Dates and Onus

[8] While various grounds of opposition are pleaded, the determinative issue for decision is whether the Mark is confusing with the Opponent's trade-mark EVEN WALL. The earliest material date to assess the issue of confusion is the date the application was filed while the latest material date is the date of my decision [for a review of material dates in opposition proceedings see *American Assn of Retired Persons v Canadian Assn of Retired Persons* (1998), 84 CPR (3d) 198 (FCTD) at 206-208].

[9] Before considering the issue of confusion between the parties' marks, it is necessary to review some of the technical requirements with regard to (i) the evidential burden on an

opponent to support the allegations in the statement of opposition and (ii) the legal onus on an applicant to prove its case.

[10] With respect to (i) above, there is an evidential burden on an opponent to prove the facts in its allegations pleaded in the statement of opposition: *John Labatt Limited v Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298. The presence of an evidential burden on the opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist. With respect to (ii) above, the legal onus is on an applicant to show that the application does not contravene the provisions of the Act as alleged by an opponent (for those allegations for which the opponent has met its evidential burden). The presence of a legal onus on an applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against it.

Analysis of the Grounds of Opposition

[11] Rather than assessing the grounds of opposition in the order in which they have been pleaded, I will begin with assessing the section 12(1)(d) and distinctiveness grounds of opposition as the bulk of the Opponent's evidence is directed towards these grounds.

Section 12(1)(d) Ground of Opposition

[12] The Opponent has pleaded that the Mark is not registrable under section 12(1)(d) of the Act as it is confusing with the Opponent's registration for EVEN WALL for stators and rotors being parts of pumps. The Opponent filed a copy of its registration No. TMA508,510 for EVEN WALL as part of Mr. Kächele's affidavit. Although the registration number was not set out in the statement of opposition, it was provided in the Opponent's evidence [see *Novopharm Ltd. v Astrazeneca et al* (2002), 21 CPR (4th) 289 (FCA) which provides that in deciding whether a ground is sufficiently pleaded regard must be had to both the statement of opposition and evidence filed.]

[13] The material date for considering this ground of opposition is the date of my decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)].

[14] I have exercised my discretion and checked the Register to confirm that this registration is extant. Therefore, the Opponent has met its initial burden with respect to this ground.

[15] The test to determine the issue of confusion is set out in section 6(2) of the Act where it is stipulated that the use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would likely lead to the inference that the goods and services associated with those trade-marks are manufactured, sold or leased by the same person, whether or not the goods and services are of the same general class. In making such an assessment I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5): the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time the trade-marks have been in use; the nature of the goods and services or business; the nature of the trade; and the degree of resemblance between the trade-marks in appearance, or sound or in the ideas suggested by them. In *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, [2006] 1 SCR 824 at para 20, the Supreme Court of Canada set out how the test is to be applied:

The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the [mark] at a time when he or she has no more than an imperfect recollection of the [prior] trade-marks and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks.

The criteria in section 6(5) are not exhaustive and different weight will be given to each one in a context specific assessment [*Mattel, Inc v 3894207 Canada Inc*, [2006] 1 SCR 772 (SCC) at para 54]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) at para 49, where the Supreme Court of Canada states that section 6(5)(e), the resemblance between the marks, will often have the greatest effect on the confusion analysis.

Inherent Distinctiveness

[16] The Mark and the Opponent's trade-mark both have a low degree of inherent distinctiveness as both suggest a characteristic of the parties' products or their surroundings, for example, the Applicant's downhole drilling motors are used to dig holes with straight walls or the Opponent's pump parts have uniform wall thickness.

Extent Known and Length of Time in Use

[17] The application is based on proposed use and the Applicant has not filed evidence of any use of the Mark. In contrast, the Opponent's evidence is that its trade-mark EVEN WALL is known to at least some extent in Canada in the oil and gas field. Specifically, Mr. Kächele's evidence is that:

- the Opponent's EVEN WALL stators and rotors are elements within pumps used for oil drilling;
- the Opponent's EVEN WALL products have been available in Canada since 2000 and sales since 2005 have exceeded \$11,000,000 CDN;
- the Opponent's EVEN WALL trade-mark appears in invoices issued to Canadian customers including Kudu Industries (Calgary, Alberta), Dreco Energy Services (Nisku, Alberta) and Haliburton Group (Lloydminster, Alberta); and
- the Opponent's EVEN WALL trade-mark appears in brochures and explanatory material used for sales in Canada and the Opponent has attended the Global Petroleum Show in Calgary.

While Mr. Kächele's evidence is not fulsome, it was not challenged by cross-examination.

Nature of the Goods and Services and Trade

[18] When considering the goods and services of the parties, it is the statement of goods and services in the parties' trade-mark application and registration that govern the issue of confusion arising under section 12(1)(d) [see *Mr. Submarine Ltd. v Amandista Investments Ltd.* (1987), 19

CPR (3d) 3 (FCA); *Miss Universe, Inc. v Dale Bohna* (1984), 58 CPR (3d) 381 (FCA)]. However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. In this regard, evidence of the actual trades of the parties is useful, particularly where there is an ambiguity as to the goods or services covered in the application or registration at issue [*McDonald's Corp v Coffee Hut Stores Ltd* (1996), 68 CPR (3d) 168 (FCA); *Procter & Gamble Inc v Hunter Packaging Ltd* (1999), 2 CPR (4th) 266 (TMOB); *American Optical Corp v Alcon Pharmaceuticals Ltd* (2000), 5 CPR (4th) 110 (TMOB)].

[19] This factor favours the Opponent as both parties' goods and services appear to be used in the oil and gas industry. Mr. Kächele's evidence is that the Opponent's EVEN WALL stators and rotors form parts of pumps used for oil drilling. One system that the EVEN WALL stators are part of is advantageous as it requires the drilling of only one well for production and injection and allows for the handling of slow flowing heavy oil containing sand at temperatures of up to 300°C.

[20] The Goods and Services also appear to be for use in the oil and gas industry. Mr. Kächele's evidence included copies of pages from the prosecution file from the application including the Applicant's response to an office action dated December 5, 2013 in which the Applicant states (emphasis added):

... our application is with respect [to] downhole drilling motors. These are expensive wares (tens of thousands of dollars) which are not bought casually. They are bought by sophisticated oil industry parties, who exercise a high degree of selection when purchasing such oilfield tools for their drilling operations. Such purchasers would not confuse drilling motors with pumps.

[21] The Applicant submits in its written argument that as a drilling motor is the reverse of a pump this means that there would be no confusion in the market resulting from the use of a similar mark for both drilling motors and pumps. I do not find that the different purposes of the parties' goods, however, mean that the goods are of a different nature since both are used in oil drilling/removal. As both parties goods are used in the oil and gas industry, presumably the nature of the trade between the Opponent's registered goods and the Goods and Services overlaps as well.

Degree of Resemblance Between the Trade-marks

[22] The Mark and the Opponent's trade-mark EVEN WALL are almost identical in appearance and are identical as sounded. The ideas suggested by each are also identical in that they suggest a characteristic of the parties' products (in that the products themselves or the wells or holes they are used with have uniform or straight walls).

Surrounding Circumstance: Expensive Goods Bought After a High Degree of Selection

[23] The Applicant submits in its Written Argument that as the goods are expensive and would not be bought casually that there is a reduced likelihood of confusion. I disagree. In the present case, as the Goods and the Opponent's registered goods are related and both are used in the oil and gas field, the fact that the parties' goods are expensive would not necessarily reduce the likelihood of confusion when consumers first encounter the Mark. Justice Rothstein confirms in *Masterpiece, supra* at paras 68-74 that although consumers in the market for expensive goods may be less likely to be confused, the test is still one of first impression. Justice S n gal of the Superior Court of Qu bec in *De Grandpr  Joli-Coeur v De Grandpr  Chait* (2011), 94 CPR (4th) 129 summarizes the Supreme Court of Canada's discussion on this point in *Masterpiece* as follows at para 97-98 (emphasis added):

[translation]

In *Masterpiece*, the Supreme Court stated that it is an error to believe that, since consumers of expensive goods and services generally take considerable time to inform themselves about the source of those goods and services, there is a reduced likelihood of confusion. Confusion must instead be assessed from the perspective of the first impression of the consumer approaching a costly purchase when he or she encounters the trade-mark. It is not relevant that consumers are unlikely to make choices based on first impressions or that they will generally take considerable time to inform themselves about the source of expensive goods and services. Careful research which may later remedy confusion does not mean that no confusion ever existed or that it will not continue to exist in the minds of consumers who did not carry out that research.

In the view of the Supreme Court, consideration must be limited to how a consumer with an imperfect recollection of a business's mark would have reacted upon seeing the other company's mark. The question of cost is unlikely to lead to a different conclusion in cases where a strong resemblance suggests a likelihood of confusion and the other factors set out in subsection 6(5) of the Act do not point strongly against a likelihood of

confusion.

Conclusion

[24] For the reasons explained above, and in particular as the parties' trade-marks are virtually identical and both the Goods and Services and the Opponent's registered goods are used in the oil and gas field, I conclude that the Applicant has not discharged its burden of establishing, on a balance of probabilities, that the Mark is not confusing with the Opponent's EVEN WALL trade-mark. This ground of opposition is successful.

Distinctiveness Ground of Opposition

[25] The Opponent alleges that the Mark does not distinguish the Goods from its goods. The material date for this ground of opposition is the date the statement of opposition is filed [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)]. There is an initial evidential burden on the Opponent to establish that, as of August 29, 2014, its EVEN WALL trade-mark was known to some extent that it could negate the distinctiveness of the Mark and its reputation in Canada is substantial, significant, or sufficient [*Bojangles' International, LLC v Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (FC) at para 34]. Once this burden is met, the Applicant has a legal onus to show, on a balance of probabilities, that the Mark was not likely to create confusion with the Opponent's trade-mark [*Muffin Houses Incorporated v The Muffin House Bakery Ltd* (1985), 4 CPR (3d) 272 (TMOB)].

[26] As discussed more fully in the analysis of the section 12(1)(d) ground of opposition, I am satisfied that the Opponent has evidenced that its EVEN WALL trade-mark is known to some extent in Canada and has a sufficient reputation. This is even the case considering the earlier material date for the distinctiveness ground of opposition since it is reasonable to infer that a sizeable percentage of the \$11,000,000 sales occurring between 2005 and February 23, 2015 (the date Mr. Kächele's affidavit is sworn), occurred before August 29, 2014. The Opponent has met its evidential burden. For reasons similar to those set out under my discussion of the section 12(1)(d) ground of opposition, I find that the Applicant has not satisfied its legal burden.

[27] Accordingly, the distinctiveness ground of opposition is also successful.

Remaining Grounds of Opposition

[28] As I have already found in favour of the Opponent under two grounds, I do not consider it necessary to address the remaining grounds of opposition.

Disposition

[29] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

Natalie de Paulsen
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

No Hearing Held

AGENTS OF RECORD

Clancy Professional Corporation

FOR THE OPPONENT

No agent appointed

FOR THE APPLICANT