



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

**Citation: 2015 TMOB 36**  
**Date of Decision: 2015-02-27**

**IN THE MATTER OF AN OPPOSITION  
by Ceramiche Caesar S.P.A to application  
No. 1,377,940 for the trade-mark  
CAESARSTONE & Design in the name  
of Caesarstone Sdot-Yam Ltd.**

[1] Ceramiche Caesar S.P.A (the Opponent) opposes registration of the trade-mark CAESARSTONE & Design reproduced below (the Mark) that is the subject of application No. 1,377,940 by Caesarstone Sdot-Yam Ltd. (the Applicant).



[2] Filed on January 3, 2008, with a claim for a priority filing date of August 26, 2007, the application is based on use and registration of the Mark in Israel and proposed use of the Mark in Canada with the following goods and services:

Goods:

(1) Worktops, sinktops; work surfaces and surrounds for kitchens, bathrooms, vanity units and offices, counter tops; table tops; bar tops; tops and facing surfaces for furniture, reception desks and reception areas.

Services:

(1) Wholesale and retail stores and wholesale and retail showrooms featuring tops and facing surfaces, work surfaces, surrounds, tiles, panels, floor coverings, wall cladding, flooring, ceilings, slabs and tiles formed of composite stone for building panels, counter tops, vanity tops, floors, ceilings, stairs, and walls; provision of commercial information in the field of quartz surfaces and countertops; offering

consulting, support, marketing, promotional and technical assistance in the establishment and operation of distributorship, dealership, franchising, wholesale and retail stores that feature tops and facing surfaces, work surfaces and surrounds, tiles, panels, floor coverings, wall cladding, flooring, ceilings, slabs and tiles formed of composite stone for building panels, counter tops, vanity tops, floors, ceilings, stairs and walls.

(2) Installation, maintenance and repair services of worktops, sinktops, work surfaces and surrounds for kitchens, bathrooms, vanity units and offices, counter tops, table tops, bar tops, tops and facing surfaces for furniture, reception desks and reception areas, tiles, panels for floors, floor coverings, wall cladding, flooring, ceilings, non-metallic covers for use with floors and parts thereof, profiles and floor skirting boards, slabs and tiles formed of composite stone.

[3] The Opponent alleges that: (i) the application does not conform to sections 30(i) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act); (ii) the Mark is not registrable under section 12(1)(d) of the Act; (iii) the Applicant is not the person entitled to registration of the Mark under sections 16(2) and 16(3) of the Act; and (iv) the Mark is not distinctive under section 2 of the Act, but only with respect to the following list of services (the Opposed Services):

(1) Wholesale and retail stores and wholesale and retail showrooms featuring [...] tiles, [...] floor coverings, [...] flooring, [...] slabs and tiles formed of composite stone for building panels, [...] floors, [...] stairs [...]; offering consulting, support, marketing, promotional and technical assistance in the establishment and operation of distributorship, dealership, franchising, wholesale and retail stores that feature [...] floor coverings, [...] flooring, [...] slabs and tiles formed of composite stone for [...] floors, [...] stairs and walls.

(2) Installation, maintenance and repair services of [...] panels for floors, floor coverings, wall cladding, flooring, [...] non-metallic covers for use with floors and parts thereof, profiles and floor skirting boards, slabs and tiles formed of composite stone.

[4] The opposition turns on the issue of confusion with the Opponent's trade-mark CAESAR & Design of registration No. TMA725,911, reproduced below, for use in association with "building materials (non-metallic) namely, ceramic tiles for floor and wall coverings, angle beads, angle irons not of metal, stop ends, ceramic tiles for raised floors, stair treads, special finishing pieces, namely, trim pieces and edgings for use with ceramic tiles".

◆ CAESAR ◆

[5] For the reasons that follow, I refuse the application, but only with respect to the Opposed Services.

#### The Record

[6] The Opponent filed a statement of opposition on November 9, 2010 and, with leave from the Registrar, filed an amended statement of opposition on November 16, 2010. The Applicant then filed its counter statement on August 25, 2011, denying all of the grounds of opposition alleged in the statement of opposition.

[7] In support of its opposition, the Opponent filed a certified copy of registration No. TMA725,911 and the affidavit of Adolfo Tancredi, Managing Director of the Opponent. In support of its application, the Applicant filed the affidavit of Fernando Mammoliti, Chief Executive Officer of the Applicant's Canadian subsidiary, Caesarstone Canada Inc. (Caesarstone Canada), as well as the affidavit of Grace Rock, a trade-mark assistant employed by the Applicant's trade-mark agent. The Applicant also obtained leave to file the affidavit of Eli Feiglin, Vice President Marketing of the Applicant. Mr. Tancredi, Mr. Mammoliti and Mr. Feiglin were all cross-examined on their respective affidavits; the transcripts of their cross-examinations, along with their replies to undertakings, are of record.

[8] Both parties filed a written argument; an oral hearing was held where both parties were represented.

#### The Parties' Respective Burden or Onus

[9] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd.* (1990), 30 CPR (3d) 293 (FCTD) at 298].

### Non-Conformity Ground of Opposition

[10] The Opponent pleads that the Applicant could not have been satisfied that it was entitled to use the Mark, given that it is confusing with the Opponent's trade-mark CAESAR & Design, which has been previously used in Canada. In its written argument, the Opponent submits that due to the extensive use of its trade-mark, it is highly unlikely that the Applicant would not have known about the Opponent's presence in the marketplace and that it is equally unlikely that the Applicant could not have appreciated that the Mark was confusing with the Opponent's trade-mark in respect to the Opposed Services.

[11] Section 30(i) of the Act requires an applicant to declare in the application that it is satisfied that it is entitled to use the trade-mark in Canada. Where an applicant has provided the required statement, the jurisprudence suggests that non-compliance with section 30(i) of the Act can be found only where there are exceptional circumstances that render the applicant's statement untrue, such as evidence of bad faith [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155].

[12] There is no such evidence here. Accordingly, the section 30(i) ground of opposition is dismissed on the basis that the Opponent has not met its initial evidential burden.

### Is the Mark Confusing with the Opponent's Registered Trade-mark?

[13] In its statement of opposition, the Opponent alleges that the Mark is not registrable pursuant to section 12(1)(d) of the Act, on the ground that it is confusing with the Opponent's registered trade-mark CAESAR & Design.

[14] The material date for considering this issue, which arises from the section 12(1)(d) ground of opposition, is the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)].

[15] An opponent's initial onus is met with respect to a section 12(1)(d) ground of opposition if the registration relied upon is in good standing. The Registrar has the discretion to check the register in order to confirm the existence of the registration relied upon by an opponent [see

*Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. Having exercised the Registrar's discretion, I confirm that registration No. TMA725,911 alleged by the Opponent in its statement of opposition is in good standing.

[16] Since the Opponent has satisfied its initial evidential burden, the issue becomes whether the Applicant has met its legal burden to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's registered trade-mark.

[17] For the reasons that follow, I accept this ground of opposition and decide this issue in favour of the Opponent with respect to the Opposed Services.

#### The test for confusion

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

[19] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the goods, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight [see *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al* (2006), 49 CPR (4th) 401 (SCC); and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) for a thorough discussion of the general principles that govern the test for confusion].

[20] I will now turn to the assessment of the section 6(5) factors.

*Section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which they have become known*

[21] The overall consideration of the section 6(5)(a) factor involves a combination of inherent and acquired distinctiveness of the trade-marks. I assess each party's trade-mark to have a fair degree of inherent distinctiveness. In terms of the Opponent's trade-mark CAESAR & Design, while the diamond symbols are not particularly striking, I find the term CAESAR to be inherent distinctive as it is neither descriptive nor suggestive of the party's goods. In comparison, the Mark is a coined word that consists of the terms CAESAR and STONE, the former of which is inherently distinctive while the latter is descriptive of the Applicant's Opposed Services. The swirl design also somewhat contributes to the inherent distinctiveness of the Mark, though not particularly striking.

[22] In his affidavit, Mr. Mammoliti states that the trade-mark CAESARSTONE was chosen to recognize the Applicant's roots, being physically located near the ancient Roman city of Caesarea, in Israel. Even if that is the case, I am of the view that there is no apparent connection between the trade-mark CAESARSTONE & Design and the geographic designation, Caesarea, to the average Canadian consumer.

[23] The strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use. In this regard, both parties provide some evidence of promotion and/or use of their respective trade-marks. I shall begin with a review of the Opponent's evidence in this regard.

Acquired Distinctiveness – CAESAR & Design

[24] According to Mr. Tancredi, the Opponent is an Italian company that designs a wide range of floor and wall surface covering products, including ceramic tiles and related installation materials for walls, stairs and floors, which are exported worldwide to more than 100 countries, including Canada. During cross-examination, Mr. Tancredi indicated that the Opponent's tiles are nearly all made of ceramics and that they can be used for different applications. In this regard, Mr. Tancredi stated that he has seen the Opponent's tiles being used as floor coverings,

wall coverings, and stairs, in commercial or public projects in Canada [Qs 8, 10, 32, 40 and 43 of the Tancredi cross-examination].

[25] At the outset of the use analysis, having reviewed the exhibits attached to Mr. Tancredi's affidavit, I am of the view that any evidence of use of the following designs would qualify as use of the registered trade-mark CAESAR & Design as the public would perceive the prominent component in each case as use of the trade-mark per se [see *Registrar of Trade-marks v Compagnie Internationale pour l'Informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA) and *Promafil Canada Ltee v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)].



[26] In terms of use of the trade-mark, Mr. Tancredi states that the Opponent has been promoting and selling its floor and wall surface covering products in association with CAESAR & Design in Canada since 1989. Attached as Exhibit "C" are photographs of cardboard packaging in which the Opponent's floor and wall surface covering products are said to be exported to and sold in Canada. The trade-mark CAESAR & Design appears prominently on the packaging. Mr. Tancredi further states that the Opponent sometimes provides sample products to its Canadian distributors, in which case the products are labeled with the trade-mark CAESAR & Design, and accompanied by product inserts bearing the trade-mark at times. Attached as Exhibits "D" and "E" are representative samples of the labels and inserts. The trade-mark CAESAR & Design appears prominently on both.

[27] In terms of the Opponent's normal course of trade, Mr. Tancredi explains that the Opponent's floor and wall surface covering products are exported from Italy and distributed in Canada through a network of distributors with showrooms and retail outlets. The distributors arrange and pay for the shipping of the Opponent's tiles from Italy to Canada [Qs 89 and 92 of the Tancredi cross-examination]. The Opponent's goods are then sold to customers such as shops, architects, designers and builders. In terms of sales, Mr. Tancredi sets out the Opponent's approximate annual Canadian sales figures for floor and wall surface covering products sold in

association with the trade-mark CAESAR & Design from 1989 to 2011, which vary between €105,000 (in 1989) and €3.1 million (in 2006), totalling over €39 million in that period of time. Attached as Exhibit “F” are two invoices in Canadian dollars dated September 2011 issued by the Opponent to a Canadian distributor in Montreal Canada, said to be representative of such sales in Canada [Q87 of the Tancredi cross-examination]. I note that the trade-mark CAESAR & Design appears prominently on the top left corner of the invoices.

[28] In terms of advertising, Mr. Tancredi states that the Opponent’s floor and wall surface covering products are promoted in various ways. Some distributors display the Opponent’s tiles in their own showrooms; others might do presentations to designers or at construction sites [Q72 of the Tancredi cross-examination]. According to Mr. Tancredi, the Opponent’s goods are also advertised through the distribution of product catalogues and brochures by its Canadian distributors in showrooms, trade fairs and at meetings with designers, architects and building contractors. In this regard:

- Approximately 2,600 product catalogues were shipped to Canadian distributors between 2003 and 2011, representing 90 to 600 catalogues per year. Attached as Exhibits “G” and “H” are copies of representative extracts of such brochures. The trade-mark CAESAR & Design appears prominently on the front and back covers of the brochures of floor and wall surface covering products;
- Approximately 10,400 product brochures of floor and wall surface covering products, said to be featuring the trade-mark CAESAR & Design, were shipped to Canadian distributors between 2003 and 2011, representing 500 to 2000 brochures per year; and
- Three websites located at *www.caesar.it*, *www.aessential.it* and *www.caesargreen.it*, said to be accessible to Canadians, are also operated by the Opponent. Attached as Exhibit “I” are printouts of the homepages of the three websites. The trade-mark CAESAR & Design appears on each printout. No information on the number of Canadians who would have visited these websites is provided.

[29] No advertising expenditures were provided.



[30] Finally, Mr. Tancredi states that folders bearing the trade-mark CAESAR & Design are also provided to its distributors; such folders are said to contain samples of the Opponent's floor and wall surface covering products.

Acquired Distinctiveness – CAESARSTONE & Design

[31] In his affidavit, Mr. Mammoliti states that the Applicant was established in 1987 in Israel and that it is a world leading manufacturer of high quality engineered quartz and stone surfaces sold under its premium CAESARSTONE brand.

[32] Mr. Mammoliti states that the Applicant provides a wide range of engineered quartz and stone surface products with the Mark that can be used for various residential and non-residential applications, including kitchen and bathroom countertops, kitchen back splashes, wall claddings and flooring for kitchens, bathrooms, hotel lobbies and reception areas, stairs and other interior surfaces including fireplace surrounds.

[33] Mr. Mammoliti further states that the trade-mark CAESARSTONE has been used extensively in association with the Applicant's quartz surface products in Canada since 2003. In this regard, Mr. Mammoliti explains that the Applicant's quartz surface products bearing the Mark have been sold in Canada since late 2010 through the Applicant's majority owned Canadian subsidiary and trade-mark licensee, Caesarstone Canada. Prior to that time, Mr. Mammoliti states that CIOT Toronto Inc. (CIOT) acted as a distributor of the Applicant's products for eastern Canada, while White-Wood acted as a distributor for western Canada. During cross-examination, Mr. Mammoliti explained that CIOT also distributes various lines of natural stones, including ceramic tiles, from different suppliers around the world as floor tiles, wall tiles and countertop products. Since the inception of Caesarstone Canada in August 2010, CIOT simply promotes the Applicant's products in its showrooms, as its client, not as its distributor [Q23 of the Mammoliti cross-examination and answer to undertaking to Q28].

[34] In addition to providing the quartz surface products to Caesarstone Canada, Mr. Mammoliti states that the Applicant also works extensively with, and periodically visits, its Canadian distributor to provide updates on new products. It also discuss how to market them, to consult with and work with Caesarstone Canada on how to use and install its quartz surface

products with various applications, and on how to offer and provide technical assistance to fabricators. In this regard, Mr. Mammoliti states that Caesarstone Canada, with the support of the Applicant, operates a “Caesarstone University”, launched in November 2010, through which over 1,000 individuals, principally in the fabrication industry, have received technical training courses and certifications as Caesarstone fabricators [Q128 and reply to undertaking to Q127 of the Mammoliti cross-examination].

[35] At the outset of the use analysis, having reviewed Mr. Mammoliti’s affidavit, I note a small number of exhibits contain the design reproduced below instead of the Mark. I am of the view that any evidence of use of the following design would also qualify as use of the Mark as it is being used in such a way that it has not lost its identity and remains recognizable, given that the dominant features of the Mark have been preserved [see *Registrar of Trade-marks v Compagnie Internationale pour l’Informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA) and *Promafil Canada Ltee v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)]. I shall refer to the following design as the partial column design.



[36] Mr. Mammoliti states that a typical consumer of the Applicant’s quartz surface products would be a Canadian homeowner [see also Qs 16 and 17 of the Mammoliti cross-examination]. He further explains that the Applicant would provide CAESARSTONE product samples to its Canadian distributors, which are ultimately provided to Canadian architects, interior designers, kitchen and bath dealers, fabricators, consumers, etc. Mr. Mammoliti states that all samples are marked with the CAESARSTONE trade-mark. Attached as Exhibit “C” are product samples and photos of product samples, said to be representative of those provided to Canadian architects, designers, dealers, fabricators, consumers, and others, since 2003. I note that labels bearing the Mark along with the description “Quartz Surfaces” can be seen at the back of the sample pieces and on photos of the back of the quartz products. Attached as Exhibit “I” are labels said to be applied by Caesarstone Canada’s sales people to installations of countertops shown at trade

shows, showrooms and tile stores [see also Qs 206 to 211 of the Mammoliti cross-examination]. I note that the Mark appears on the labels.

[37] In terms of sales, Mr. Mommoliti states that the Applicant's gross worldwide revenues from product sales in 2011 exceeded USD\$250 million, with annual revenues of CAESARSTONE products in Canada increasing from over CDN\$2 million in 2006 to over CDN\$28 million in 2011, totalling over CDN\$90 million in that period of time [see also Qs 183 to 187 of the Mammoliti cross-examination]. Attached as Exhibit "H" are copies of invoices, said to be representative of the sale of the Applicant's CAESARSTONE branded products to Canadians from 2006 and on. I note that the Mark appears prominently on the upper left corner of the invoices dated between 2010 and 2012, issued by Caesarstone Canada to entities across Canada. There are also invoices dated between 2006 and 2010 bearing a CIOT design mark, issued by CIOT to entities located in Ontario, as well as invoices dated between 2008 and 2010 issued by White-Wood Distribution-Vancouver to an entity in British Columbia. There is no mention of CAESARSTONE or the Mark on the invoices issued by CIOT or White-Wood Distribution-Vancouver.

[38] During cross-examination, Mr. Mammoliti stated that Casesarstone Canada does not offer installation services in Ontario but that CIOT may provide them in Quebec. Nevertheless, Caesarstone Canada offers repair services to customers and fabricators [Qs 115 to 119 and Q198 of the Mammoliti cross-examination].

[39] In terms of advertising, Mr. Mammoliti states that the Applicant, Caesarstone Canada, and CIOT up to 2009, have spent between CDN\$220,000 and CDN\$1.8 million each year in promoting the CAESARSTONE branded goods between 2006 and 2012, totalling nearly CDN\$4.2 million [see also Qs 215 to 217 of the Mammoliti cross-examination]. In this regard, the affiant provides the following:

- Exhibit "D" – 20 or so print ads in a number of commercial trade and consumer magazines distributed in Canada between 2010 and 2012 including *Azure*, *Toronto Life*, *Reno & Decor*, *Canada's Style at Home*, *Canadian Living*, and *Canadian House & Home*. The Mark can be seen on the print ads for quartz surfaces in general, countertops, and bathroom wall paneling;

- The Applicant’s CAESARSTONE products are said to have been referred to on television shows such as *Holmes on Homes* on *HGTV Canada*, *Love It or List It* on *W Network*, *Top Chef Canada* on *Food Network*, *Cityline* on *City TV*, *Three Takes* on *HGTV Canada*, *Colin & Justin Home Heist* on *HGTV Canada*, between 2006 and 2012. No information regarding the context in which, nor the applications for which, the Applicant’s products were referenced;
- Exhibit “J” – printout of a contest with reference to the chance for contestants in Season 2 of *Top Chef Canada* to win third party kitchen small appliances and a CAESARSTONE countertop makeover, said to have taken place early 2012 [Q221 of the Mammoliti cross-examination]. The Mark appears on the printout;
- Exhibit “J” – 5 print ads for countertops and bathroom wall paneling bearing the Mark are said to have appeared in magazines [Qs 227 to 235 of the Mammoliti cross-examination]. No information on where or when these ads would have been circulated is provided;
- Promotional videos are said to be posted on the Applicant’s *Facebook* page in 2012. No information regarding the context in which, nor the applications for which, the Applicant’s products are promoted;
- An app for the Applicant’s CAESARSTONE products is said to have been made available to public in 2011. No information regarding the context in which, nor the applications for which, the Applicant’s products are referenced in the app;
- Exhibit “F” – a copy of an article from *The Montreal Gazette* of February 11, 2006 with reference to a CAESARSTONE countertop and a printout of an undated article from the *Style at Home* website with reference to CAESARSTONE countertops;
- The Applicant and its distributors are said to have attended Canadian design and interior design trade shows such as SIDIM and IDS held in various Canadian cities between 2006 and 2010 [see also Qs 141 to 143 of the Mammoliti cross-examination]. Mr. Mammoliti explained that companies in flooring, wall covering, kitchen, furniture, and design, would exhibit at these trade shows [Q147 of the Mammoliti cross-examination]. Photo of a countertop identified with a label bearing the word CaesarStone with a partial column design, next to a CIOT design mark, said to be displayed at the 2007 IDS booth, is attached as Exhibit “R”;

- Exhibit “G” – extracts from the Applicant’s websites located at *www.caesarstone.ca*, accessible to the public since at least as early as February 1<sup>st</sup>, 2009 [reply to undertaking to Q182 of the Mammoliti cross-examination], said to have received over 63,000 pageviews in a recent month. I note that the Mark is shown prominently on the printouts which include 60 photos of kitchen countertops. Mr. Mammoliti further states that traffic to the Applicant’s other website *www.caesarstone.com* since 2007 amounts to more than 1.125 million visits with more than 9 million pageviews. No breakdown of access per country is provided;
- Exhibit “K” – photos of promotional materials bearing the Mark including a sugar stir stick, a shirt, a toque, a reusable shopping bag, a cap, mittens, a notebook, a pen, said to be representative of items which have been distributed to Canadian architects, designers and fabricators “since product introduction in Canada in 2003”;
- Exhibit “L” – two sample products attached to a card bearing the description “New Mini Collection 2008” with a photo of a kitchen countertop along with the Mark and a CIOT design mark, said to have been distributed in 2008;
- Exhibit “M” – a company movie showing a series of photos of kitchen installations and what appeared to be countertops or tabletops, said to have been distributed starting in October 2008 at events or trade shows [Q245 of the Mammoliti cross-examination]. The Mark appears on the CD and its jacket;
- Exhibit “N” – brochure with information on the Applicant’s various quartz products promoted for use for kitchen countertops, vanity units, tabletops and wall paneling, distributed in August 2009, said to be representative of brochures distributed before and after 2009. The Mark appears prominently on the cover of the brochure;
- Exhibit “O” – brochure with information on the Applicant’s various quartz products and photos of multiple countertops, distributed as of 2005, said to be representative of other early brochures. The term CaesarStone accompanied by a partial column design appears prominently on the cover of the brochure; and
- Exhibit “P” – photos of the 2006 and 2007 product sample books produced by the Applicant and distributed by CIOT, said to be representative of sample books distributed to Canadian architects, designers, kitchen and bath dealers and fabricators [see also Qs

280 and 281 of the Mammoliti cross-examination]. The term CaesarStone accompanied by a partial column design appears prominently on the cover of the sample book.

[40] During cross-examination, Mr. Mammoliti explained that Caesarstone Canada has showrooms attached to its distribution centres in Vancouver and Calgary since early 2011, as well as in Toronto, Montreal and Moncton. The Applicant's products are also displayed in CIOT's showroom in Toronto since 1988 [Qs 104 to 114 and Q318 of the Mammoliti cross-examination].

[41] In terms of recognition, attached as Exhibit "S" to the Mammoliti affidavit is a photo of the 2011 Design Award presented to the Applicant for best new green sustainable product by the National Kitchen and Bath Association (NKBA). Mr. Mammoliti further states that the NKBA also awarded the sales representative of the year award to a Caesarstone Canada employee in 2010.

[42] In its written argument, the Opponent submits that there is a hearsay issue with respect to the sales figures and the advertising expenditures in Mr. Mammoliti's affidavit since he received them from another individual named Ami Dreifuss. I note that the Opponent discussed these figures with Mr. Mammoliti during cross-examination but elected not to question the affiant on this point despite its detailed examination of the Applicant's and Caesarstone Canada's sales operations and advertising practices in Canada [see Qs 187, 216 to 219 of the Mammoliti cross-examination].

[43] In his affidavit, Mr. Mammoliti states that as the Chief Executive Office of Caesarstone Canada since 2010 and Vice President of CIOT from 2004 to 2010, he is responsible for all activities relating to CAESARSTONE products offered by the Applicant in Canada. Mr. Mammoliti further states that he has access to all of Caesarstone Canada's marketing and financial documents and records. The affiant also indicates that where necessary, he has reviewed business records in the possession of Caesarstone Canada to confirm the accuracy of the information contained therein.

[44] Based on a fair reading of Mr. Mammoliti's affidavit together with the transcript of the cross-examination, and given that the person from which he has obtained the financial

information is the Chief Financial Officer of Caesarstone Canada, I am satisfied that sales figures and the advertising expenditures set out in Mr. Mammoliti's affidavit are based on records that were prepared and kept in the ordinary course of the business by Caesarstone Canada. I see no reason to question the reliability of the information set forth in paragraphs 32 and 36 of Mr. Mammoliti's affidavit.

[45] In addition to Mr. Mammoliti's affidavit, the Applicant also filed Mr. Feiglin's affidavit which focuses on the Applicant's business outside of Canada with little information on the Canadian market.

[46] When the evidence is considered in its entirety, I am of the view that both parties' trade-marks have acquired substantial reputations through use and promotion in association with the sale of their products in Canada, albeit to different extents and in different areas of use. In this regard, the Opponent's trade-mark CAESAR & Design has been promoted and used for a substantially longer period of time for flooring and wall applications than that of the Mark for mostly kitchen and bath applications in Canada, which are not the focus of the Opposed Services in the present proceeding. Even so, the evidence shows that the total sales figures of the Applicant's CAESARSTONE products are substantially higher than those of the Opponent's, when considering 2007 and onwards. I also take note of the Applicant's significant advertising expenditures for, as well as its assistance and marketing programs for the distributors of, its CAESARSTONE products in Canada since 2006.

[47] In the end, for the non-registrability ground of opposition based on section 12(1)(d) of Act, the overall consideration of the section 6(5)(a) factor favours the Applicant in view of the substantially more considerable use and promotion of the Mark, centered around kitchen and bath applications in Canada.

*Section 6(5)(b) – the length of time the trade-marks have been in use*

[48] As per my review of the Tancredi and of the Mammoliti affidavits, the section 6(5)(b) factor clearly favours the Opponent as the trade-mark CAESAR & Design has been used in Canada since 1989 in association with ceramic tiles while the Mark has been used in Canada since 2003 for the sale of its engineered stone products.

*Sections 6(5)(c) and (d) – the nature of the goods, services, trade and business*

[49] Sections 6(5)(c) and (d) factors, which involve the nature of the goods, services, trade and business, significantly favour the Opponent.

[50] When considering sections 6(5)(c) and (d) of the Act, it is the statement of Opposed Services as defined in the application for the Mark and the statement of goods in the Opponent's registration that govern the assessment of the likelihood of confusion under section 12(1)(d) of the Act [see *Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); and *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)]. 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 [see *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)].

[51] In its written argument, the Applicant submits that due to the nature of the material selection and installation process, along with the involvement of skilled experts, "hasty or uneducated 'spur of the moment' decisions are unlikely". The Applicant also contends that its products are sold at high prices, and are most often done as part of kitchen and bathroom installations or renovations "which run, in cost, in the tens of thousands of dollars". Thus, there would likely be very low likelihood of confusion.

[52] I disagree. The Opposed Services as set out in the application are not restricted to kitchen and bathroom installation or renovation projects. In fact, both parties provided evidence to the effect that their goods are designed for various applications, including general flooring and wall covering in residential and non-residential projects. Moreover, there is no evidence to the effect that there are significant price differences between the parties' goods or services or that they are intended for different markets. In fact, Mr. Tancredi stated that when compared to stone tiles, the Opponent's ceramic tiles are sometimes more expensive, sometimes less [Qs 13 and 14 of the Tancredi cross-examination]. Even if the Applicant's goods are in fact more expensive, Justice Rothstein confirms in *Masterpiece* that although consumers in the market for expensive goods



may be less likely to be confused, the test is still one of first impression. Justice Sénégal of the Superior Court of Québec in *De Grandpré Joli-Coeur v De Grandpré 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:

[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.

[my emphasis]

[53] In the present case, the Opponent's registered goods and the Applicant's Opposed Services are clearly closely related, travelling in the same or similar channels of trade. Both parties are in the business of surface covering products, whether natural or engineered, ceramic or quartz, in the form of tiles or slabs, intended for overlapping applications including general flooring and wall covering for residential and non-residential establishments. The parties have provided evidence of similar channels of trade, providing their goods and services via distributors of surface covering products in Canada to the same sets of customers, namely architects, designers, and end consumers. The parties also advertise their goods and related services in similar manners including the distribution of samples and catalogues, the display of their products in distributors' or third party flooring, wall covering, kitchen and bath showrooms, the use of websites, as well as the attendance of trade shows.

*Section 6(5)(e) – the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them*

[54] When considering the degree of resemblance, the law is clear that the trade-marks must be considered in their totality. It is not correct to lay them side by side and compare and observe similarities or differences among the elements or components of the trade-marks. It is nevertheless possible to focus on particular features of a trade-mark that may have a determinative influence on the public's perception of it [see *United Artists Corp v Pink Panther Beauty Corp* 1998 CanLII 9052 (FCA), (1998), 80 CPR (3d) 247 at 263 (FCA)]. Moreover, while the first component of a trade-mark is often considered more important for the purpose of distinction [*Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD) and *Park Avenue Furniture Corp v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 (FCA)], the preferable approach is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique [see *Masterpiece* at para 64].

[55] I am of the view that the term CAESAR is the particularly striking element in both parties' trade-marks. In this regard, the addition of small diamond symbols before and after the word CAESAR is not particularly striking when the Opponent's trade-mark is viewed as a whole. In comparison, I also do not consider the simple swirl design of the Applicant's Mark to be particularly striking. As for the other word element of the Mark, the term STONE, it cannot serve to distinguish the trade-mark in view of its descriptive nature.

[56] There is necessarily a considerable degree of resemblance between the parties' trade-marks in appearance, sound and in ideas suggested when viewed in their entirety since they both share the same striking element, the term CAESAR. According to *The Canadian Oxford Dictionary*, "Caesar" refers to the roman general Julius Caesar (100 – 400BC), and also the title of the Roman emperors, especially from Augustus to Hadrian. As mentioned above under the 6(5)(a) analysis, I am of the view that the Mark would not necessarily evoke the idea of the ancient Roman city of Caesarea to the average Canadian consumer.

[57] Accordingly, the section 6(5)(e) factor favours the Opponent.

*Additional surrounding circumstance – Co-existence*

[58] The Applicant submits that there has been no evidence of actual cases of confusion between the parties' trade-marks despite co-existence for an extended period of time in Canada.

[59] In this regard, Mr. Mammoliti states that as CEO of Caesarstone Canada, any instance of Canadian consumer confusion that its employee becomes aware of should be brought to his attention and that to date, he is not aware of any instance of Canadian consumer confusion between the Opponent's trade-mark CAESAR & Design and the Mark.

[60] In his affidavit, Mr. Feiglin also states that the Applicant is not aware of any instances of consumer confusion between the Opponent's and its trade-marks in any country, including Canada. I am not prepared to afford much weight to Mr. Feiglin's statement in this regard. During cross-examination, Mr. Feiglin explained that the Applicant does not have any specific procedure regarding the dealing of confusion in the marketplace. The affiant further stated that he would only be made aware of confusion instances if a customer contacts the Applicant's warranty department, which appears to be an unlikely scenario since Mr. Feiglin confirmed that a Canadian customer would contact Caesarstone Canada who provides the warranty in Canada, not the Applicant [Qs 147 to 153 of the Feiglin cross-examination].

[61] Absence of evidence of actual confusion over a relevant period of time, despite an overlap in the parties' goods and services, and their channels of trade, may entitle the Registrar to draw a negative inference about the likelihood of confusion [see *Mattel*, *supra* at p 347.] Nevertheless, the Opponent is under no obligation to submit evidence of instances of actual confusion. Moreover, the absence of such evidence does not necessarily raise any presumptions unfavourable to the Opponent for the burden is on the Applicant to demonstrate the absence of likelihood of confusion.

[62] In the present case, it would appear that both parties have been selling surface covering products in Canada, through similar channels of trade, for several years now. Even so, the evidence shows that the parties have been operating in building material markets for distinct applications so far. The Opponent's ceramic tiles have been advertised and sold for flooring, and to a much lesser extent, wall covering applications. In comparison, the exhibits attached to Mr.

Mammoliti's affidavit clearly show that the Applicant's products have been advertised and sold for kitchen and bathroom installations such as countertops, vanity units, and wall paneling in bathrooms. While there are print ads that appear to be non-application specific, there is no evidence that the Applicant's products or services have been marketed, used, or sold for general flooring or other similar applications in Canada up to this point. This is consistent with the fact that the application is based on proposed use of the Mark in association with the Opposed Services, which will overlap with the Opponent's market. Considering that the Opposed Services are based on proposed use of the Mark in association with services related to "new" applications such as floor covering and stairs, I do not consider the absence of evidence of instances of confusion to be a significant surrounding circumstance.

*Other additional surrounding circumstance*

[63] In its written argument, the Applicant points to its registered word mark CAESARSTONE of registration No. TMA619,051 which is said to be associated with the same statement of goods, four years prior to the registration of the Opponent's trade-mark. I note that the Applicant did not provide evidence of registration No. TMA619,051. In any case, the present opposition proceeding pertains only to a subset of the Applicant's services, not goods, which are based on proposed use of the Mark in Canada. As mentioned above, the Opposed Services appear to a departure from, or an expansion of, the Applicant's established kitchen and bathroom installation business into the general flooring market.

[64] More importantly, section 19 of the Act does not give the owner of a registration the automatic right to obtain any further registrations no matter how closely they may be related to the original registration [see *Coronet-Werke Heinrich Schlerf GmbH v Produits Menagers Coronet Inc* (1984), 4 CPR (3d) 108 (TMOB) at 115; *Groupe Lavo Inc v Procter & Gamble Inc* (1990), 32 CPR (3d) 533 (TMOB) at 538]. Thus, the fact that the Applicant already owns a registration does not lead to an automatic finding that the Mark is not confusing with the Opponent's trade-mark.

[65] As yet another surrounding circumstance, the Applicant submits that an inference that there is no likelihood of confusion with respect to the applied for services should be drawn from

the Opponent's decision not to oppose the registration of the Mark in association with the applied for goods in the subject application, given that the Opposed Services directly flow from and relate to the applied for goods.

[66] I am not prepared to do so. Aside from the fact that this would require speculating as to why the Opponent did not oppose the registration of the applied for goods, this is not relevant in the determination of the likelihood of confusion between the parties' trade-marks in the context of the present proceeding.

### *Conclusion*

[67] In *Masterpiece*, the Supreme Court of Canada discussed the importance of section 6(5)(e) in conducting an analysis of the likelihood of confusion. Specifically, the Court noted that the degree of resemblance is the statutory factor that is often likely to have the greatest effect on the confusion analysis; the other factors become significant only once the trade-marks are found to be identical or very similar.

[68] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. Having considered all of the surrounding circumstances, despite the extensive use and promotion of the Mark in Canada in the context of surface products for kitchen and bathroom installations, in view of similarities between the parties' trade-marks in appearance, sound, and ideas suggested, evidence of the Opponent's trade-mark having been used for a considerably longer period of time in Canada in the field of ceramic tiles for flooring and wall covering, the close connection between the Opponent's goods and the Applicant's Opposed Services, and the potential for overlap between of the channels of trade, I am not satisfied that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between Mark and the trade-mark CAESAR & Design of registration No. TMA725,911 with respect to the Opposed Services.

### Non-entitlement and Non-distinctiveness grounds of opposition

[69] Even though the material dates for the section 16 and distinctiveness grounds of opposition fall earlier than today's date, on the priority filing date of August 27, 2007 and the

filing date of the statement of opposition of November 9, 2009 respectively, the different dates do not result in a different outcome.

[70] The evidence summarized above is sufficient to meet the Opponent's burden. For the reasons set out with the section 12(1)(d) ground of opposition, there is a reasonable likelihood of confusion and these grounds succeed.

[71] I would add that much of the Applicant's evidence of use and promotion of the Mark in Canada put forth by Mr. Mammoliti in his affidavit cannot be taken into consideration when assessing the non-entitlement grounds given the much earlier material date of August 27, 2007. Thus, in the case of the acquired distinctiveness of the parties' trade-marks under the section 16(2) and 16(3) grounds of opposition, the evidence shows that the Opponent's trade-mark CAESARSTONE & Design was known to a much greater extent than that of the Mark as of August 27, 2007 given that the Opponent's trade-mark has been promoted and used for a substantially longer period of time, from 1989 to 2007, with much stronger sales figures during those years, in Canada. Accordingly, the overall section 6(5)(a) factor would clearly favour the Opponent rather than the Applicant for the non-entitlement grounds of opposition.

#### Disposition

[72] Pursuant to the authority delegated to me under section 63(3) of the Act, , I refuse application No. 1,377,940 under section 38(8) of the Act but only with respect to the Opposed Services, namely:

(1) Wholesale and retail stores and wholesale and retail showrooms featuring [...] tiles, [...] floor coverings, [...] flooring, [...] slabs and tiles formed of composite stone for building panels, [...] floors, [...] stairs [...]; offering consulting, support, marketing, promotional and technical assistance in the establishment and operation of distributorship, dealership, franchising, wholesale and retail stores that feature [...] floor coverings, [...] flooring, [...] slabs and tiles formed of composite stone for [...] floors, [...] stairs and walls.

(2) Installation, maintenance and repair services of [...] panels for floors, floor coverings, wall cladding, flooring, [...] non-metallic covers for use with floors and parts thereof, profiles and floor skirting boards, slabs and tiles formed of composite stone.

[73] In other words, the applications may proceed to allowance with respect to the following:

Goods:

(1) Worktops, sinktops; work surfaces and surrounds for kitchens, bathrooms, vanity units and offices, counter tops; table tops; bar tops; tops and facing surfaces for furniture, reception desks and reception areas.

Services:

(1) Wholesale and retail stores and wholesale and retail showrooms featuring tops and facing surfaces, work surfaces, surrounds, [...] panels, [...] wall cladding, [...] ceilings, [...] counter tops, vanity tops, [...] ceilings, [...] and walls; provision of commercial information in the field of quartz surfaces and countertops; offering consulting, support, marketing, promotional and technical assistance in the establishment and operation of distributorship, dealership, franchising, wholesale and retail stores that feature tops and facing surfaces, work surfaces and surrounds, tiles, panels, [...] wall cladding, [...] ceilings, slabs and tiles formed of composite stone for building panels, counter tops, vanity tops, [...] ceilings.

(2) Installation, maintenance and repair services of worktops, sinktops, work surfaces and surrounds for kitchens, bathrooms, vanity units and offices, counter tops, table tops, bar tops, tops and facing surfaces for furniture, reception desks and reception areas, tiles, [...] ceilings [...].

---

Pik-Ki Fung  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office