



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2020 TMOB 117
Date of Decision: 2020-10-16

IN THE MATTER OF AN OPPOSITION

WireCo Worldgroup Inc.

Opponent

and

Uniroppe Limited

Applicant

1,615,950 for 2 Yellow Strands Design

Application

INTRODUCTION

[1] WireCo Worldgroup Inc. (the Opponent) opposes registration of the trademark 2 Yellow Strands Design (the Mark), which is the subject of application No. 1,615,950 by Uniroppe Limited (the Applicant).

[2] The description of the Mark is as follows: “The trademark consists of the color yellow as applied to the whole of the visible surface of the particular two adjacent strands of the wire rope shown in the drawing.” The drawing is shown below:



[3] The Mark is applied for in association with the goods “Wire rope”.

[4] The opposition is primarily based on an allegation that the Mark is confusing with the Opponent’s trademark ROPE WITH YELLOW STRAND DESIGN (the Yellow Strand trademark), previously registered in Canada in association with identical goods.

THE RECORD

[5] The application for the Mark was filed on February 27, 2013 on the basis of proposed use in Canada.

[6] The application was advertised for opposition purposes on November 18, 2015. Numerous amendments to the *Trademarks Act*, RSC 1985, c T-13 (the Act) came into force on June 17, 2019. As the application was advertised prior to June 17, 2019, pursuant to section 70 of the Act, the grounds of opposition will be assessed based on the Act as it read immediately before June 17, 2019, an exception being that, with respect to confusion, sections 6(2) to (4) of the Act as it currently reads will be applied.

[7] On December 21, 2015, the Opponent's predecessor, Amsted Industries Incorporated (Amsted), opposed the application by filing a statement of opposition under section 38 of the Act. The grounds of opposition are based on sections 12(1)(d), 16(3)(a), and 2 of the Act.

[8] The Applicant submitted a counter statement denying each of the grounds set out in the statement of opposition.

[9] In support of its opposition, Amsted filed certified copies of two of its trademark registrations, as well as the affidavit of Blake Chandler, sworn in Kansas on September 19, 2016 (the Chandler Affidavit).

[10] An amended statement of opposition was made of record on March 31, 2017 that, in part, reflected the change in title of Amsted's registrations to the Opponent. The Opponent was also granted leave to file updated certified copies of its registrations to reflect the change in ownership.

[11] In support of its application, the Applicant submitted the following evidence:

- Affidavit of Knut Buschmann, sworn on January 13, 2017 in Mississauga, Ontario (the Buschmann Affidavit); and
- Affidavit of Robyn Benmore, sworn on January 16, 2017 in St. John's, Newfoundland (the Benmore Affidavit).

[12] Mr. Buschmann was cross-examined and a transcript of the cross-examination was submitted and made of record.

[13] Only the Opponent submitted written representations and was represented at an oral hearing.

[14] Before assessing the grounds of opposition, I will first provide an overview of the parties' evidence, the evidential burden on the Opponent, and the legal onus on the Applicant.

OVERVIEW OF THE OPPONENT'S EVIDENCE

[15] The Opponent is the owner of registration No. TMDA48989 for the Yellow Strand trademark, registered in association with "Wire rope" and shown below:



[16] The registration describes the trademark as follows: "A yellow coloured strand running through a length of wire rope, no claim being made to the representation of a wire rope as shown in the accompanying drawing apart from the presence of the yellow strand."

[17] The Opponent is also the owner of registration No. TMDA54072 for the trademark "YELLOW STRAND", registered in association with "Wire Rope". This registration is ultimately not at issue in this proceeding.

[18] The Chandler Affidavit provides an overview of the Opponent's business and its alleged use of the Yellow Strand trademark as well as its unregistered Two Yellow Strands trademark. It can be summarized as follows:

- Mr. Chandler is a Senior Vice President of the Opponent [para 1];
- The Opponent manufactures, engineers and distributes wire rope that is utilized in a variety of industries worldwide, including construction, fishing, mining, and oil and gas operations [para 2];

- The Opponent acquired certain assets of Amsted in 1999, including the registration of the Yellow Strand trademark [para 3];
- The Opponent has a “7-Flex” line of wire rope products; these ropes consist of seven strands in a variety of diameters. Some of these rope products display the Yellow Strand trademark, *i.e.*, one of the seven strands is coloured yellow [para 4, Exhibit A];
- The Opponent also sells a rope product with two adjacent strands coloured yellow, *i.e.*, rope displaying the Opponent’s Two Yellow Strands trademark [paras 5 and 6, Exhibit A];
- Sales of the Opponent’s 7-Flex wire products in Canada since 2009 has been in excess of \$1.2 million [para 7];
- Exhibit B is a copy of an invoice dated “10/16/2015” to an Alberta-based customer that Mr. Buschmann identifies as showing a sale of wire rope bearing the Two Yellow Strands trademark [para 6]; and
- Mr. Buschmann asserts that the Yellow Strand trademark has been used in Canada by the Opponent and its predecessors since “at least as early as 1930” [para 8] and that the Two Yellow Strands trademark has been used in Canada “for more than thirty years” [para 6].

OVERVIEW OF THE APPLICANT’S EVIDENCE

[19] The Buschmann Affidavit provides an overview of the Applicant’s business and its alleged use of the Mark. It can be summarized as follows:

- Mr. Buschmann is the President and General Manager of the Applicant [para 1];
- Since 1956, the Applicant has specialized in the manufacturing, distribution, testing, certification and inspection of lifting and rigging products [para 2];
- In 2014, the Applicant began using the Mark in association with wire rope in Canada. This rope consists of six strands, with two adjacent strands coloured yellow. It is only sold in Alberta for use in relation to the oilfield industry [paras 4 to 6, Exhibit A];

- Mr. Buschmann is unaware of any instances of actual confusion between the Applicant's rope bearing the Mark and the Opponent's wire rope products [para 8].

[20] In his cross-examination, Mr. Buschmann acknowledged that the Applicant had purchased the Opponent's products through distributors in Canada [Q44-45] and that the parties have attended the same trade shows [Q61-62].

[21] The Benmore Affidavit consists of search results of CIPO's trademarks register for "all active marks incorporating yellow rope". In addition to the subject trademarks of the parties, the search results show five registrations owned by third parties.

EVIDENTIAL BURDEN AND LEGAL ONUS

[22] Before considering the grounds of opposition, it is necessary to review the basic 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.

[23] With respect to (i), in accordance with the usual rules of evidence, there is an evidential burden on the opponent to prove the facts inherent in its allegations pleaded in the statement of opposition [*John Labatt Ltd v Molson Companies Ltd*, 1990 CarswellNat 1053, 30 CPR (3d) 293 (FCTD)]. 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.

[24] With respect to (ii), the legal onus is on the applicant to show that the application does not contravene the provisions of the Act as alleged by an opponent in the statement of opposition (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 has been considered, then the issue must be decided against the applicant.

SECTION 12(1)(D) GROUND OF OPPOSITION – CONFUSION WITH A REGISTERED TRADEMARK

[25] The Opponent pleads that the Mark is not registrable within the meaning of section 12(1)(d) of the Act in that it is confusing with the Opponent’s Yellow Strand trademark registered in Canada under No. TMDA48989.

[26] The material date with respect to confusion with a registered trademark is the date of this decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd*, 1991 CarswellNat 1119, 37 CPR (3d) 413 (FCA)].

[27] I have exercised my discretion to check the register and confirm that the Opponent’s registration remains extant [see *Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. As the Opponent has met its initial burden, the Applicant must establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion between the Mark and the Opponent’s Yellow Strand trademark.

Test to determine confusion

[28] The test to determine the issue of confusion is set out in section 6(2) of the Act which provides that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would be likely to lead to the inference that the goods or services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class or appear in the same class of the Nice Classification.

[29] This test is a matter of first impression in the mind of a casual consumer “somewhat in a hurry” who sees the Mark in association with the applied-for goods at a time when they have no more than an imperfect recollection of the Opponent’s trademark and does not pause to give the matter any detailed consideration or scrutiny [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20].

[30] In making such an assessment, I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5) of the Act: the inherent distinctiveness of the trademarks and the extent to which they have become known; the length of time the trademarks

have been in use; the nature of the goods, services or business; the nature of the trade; and the degree of resemblance between the trademarks in appearance, or sound or in the ideas suggested by them.

[31] The criteria in section 6(5) of the Act are not exhaustive and different weight will be given to each one in a context-specific assessment [*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, 1 SCR 772 at para 54]. In *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361, the Supreme Court of Canada stated that section 6(5)(e), the degree of resemblance between the marks, will often have the greatest effect on the confusion analysis [at para 49].

Degree of Resemblance

[32] As shown in their respective drawings, the Mark consists of the colour yellow applied to two adjacent strands of a particular wire rope, whereas the Opponent's Yellow Strand trademark consists of the colour yellow applied to a single strand. I agree with the Opponent that the visual distinction between two yellow strands and one yellow strand in the parties' respective wire rope goods is nominal at best. As the Opponent indicated during the hearing, a person is unlikely to take the time to carefully count the number of coloured versus uncoloured strands in the subject goods. For purposes of the test for confusion, at least, this would be somewhat contrary to the notion of the consumer "somewhat in a hurry". As such, I find there is a high degree of resemblance between the respective trademarks in appearance and in the ideas suggested. In this respect, whatever idea is suggested by the application of the colour yellow spiraling along the length of a wire rope (*e.g.*, caution or the like), that idea would likely be the same for both marks.

[33] Accordingly, I find that this important circumstance strongly favours the Opponent.

Inherent Distinctiveness and the Extent Known / Length of Time in Use

[34] In the absence of evidence or submissions on point, it is unclear the degree to which the application of a single colour to a strand of wire rope can be considered inherently distinctive in association with such goods. In any event, I agree with the Opponent that the parties' trademarks

are equally inherently distinctive, as both involve the application of the colour yellow to strands of wire rope and give similar visual impressions.

[35] However, I find that the evidence regarding the extent to which the Opponent's Yellow Strand trademark has become known in Canada – and the length of time in use – is somewhat unclear. In this respect, Mr. Chandler attests that the Opponent's sales of its "7-Flex wire products" in Canada since 2009 has been in excess of \$1.2 million [para 7]. Unfortunately, Mr. Chandler conflates the use of the Yellow Strand trademark and the use of the Two Yellow Strands trademark, leaving it further unclear whether this "7-Flex" line of products has consisted solely of wire rope branded with either trademark, rather than other colours or variations not shown in the evidence. While the promotional materials attached as Exhibit A to the Chandler Affidavit display ropes bearing the Two Yellow Strands trademark, a variety of ropes of various colours and patterns are also displayed and the materials do not unambiguously identify the "7-Flex" ropes exclusively with the colour yellow.

[36] This ambiguity is not clarified by the Opponent's choice to clearly evidence only one sale of its wire rope goods in Canada [Chandler Affidavit, para 6, Exhibit B]. This sale was in 2015 and amounted to approximately \$12,000.

[37] With respect to the Mark, the evidence shows that the Applicant began using it in Canada in association with wire rope in 2014, with subsequent sales of approximately \$20,000. However, as there is no indication regarding volumes or number of customers, the extent to which the Mark has become known in Canada is similarly unclear.

[38] Given the ambiguities in the evidence – and, in any event, in the context of the other circumstances – I find that that these circumstances favour neither party.

Nature of the Goods, Services or Business / Nature of the Trade

[39] When considering the nature of the goods of the parties in respect of the issue of confusion, it is the statements in the subject application and registration that govern [Mr Submarine Ltd v Amandista Investments Ltd, 1987 CarswellNat 749, 19 CPR (3d) 3 (FCA); Miss Universe Inc v Bohna (1994), 58 CPR (3d) 381 (FCA)].

[40] In this case, the “wire rope” goods are identical. Furthermore, the potential for overlap in the parties’ trades is significant. In this respect, the evidence shows that the parties attend the same trade shows, the Applicant has purchased the Opponent’s goods through distributors in the past, and both parties’ wire rope products are utilized in the oil and gas industry.

[41] Accordingly, I find that these factors strongly favour the Opponent.

Additional Surrounding Circumstance: State of the Register

[42] As noted above, the Benmore Affidavit includes search results from CIPO’s trademark register that include third-party registrations for “all active marks incorporating yellow rope”. Four of the third-party marks are for “fishing nets” and the like. Only one third-party registration is for “wire rope”, but that trademark is described as “a red strand and a yellow strand, both of which are woven into a multi strand wire rope” (TMA363,017).

[43] In any event, state of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace [see *Ports International Ltd v Dunlop Ltd*, 1992 CarswellNat 1431, 41 CPR (3d) 432 (TMOB); and *Welch Foods Inc v Del Monte Corp*, 1992 CarswellNat 178, 44 CPR (3d) 205 (FCTD)]. Inferences about the state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located [*Maximum Nutrition Ltd v Kellogg Salada Canada Inc*, 1992 CarswellNat 124, 43 CPR (3d) 349 (FCA)].

[44] In the absence of evidence of third-party use, there are too few relevant registered trademarks to draw any inference regarding the state of the Canadian marketplace with respect to the wire rope goods at issue. As such, I do not find the state of the register to be a relevant surrounding circumstance assisting either party.

Conclusion – Confusion with the Opponent’s registered trademark

[45] As mentioned above, the degree of resemblance between the parties’ trademarks is the statutory factor that is often likely to have the greatest effect in deciding the issue of confusion. This is particularly the case where the parties’ goods and the parties’ channels of trade are the

same or overlapping, as in this case [see *Reynolds Consumer Products Inc v PRS Mediterranean Ltd*, 2013 FCA 119, 111 CPR (4th) 155 at paras 26-30].

[46] Having considered all of the surrounding circumstances and applying the test for confusion as a matter of first impression and imperfect recollection, I conclude that, on a balance of probabilities, there is a reasonable likelihood of confusion between the Mark and the Opponent's Yellow Strand trademark in association with the applied-for goods. I conclude this based on the degree of resemblance between these trademarks and the overlap in the nature of the goods and trade, and notwithstanding that the evidence with respect to use of the Opponent's trademark in Canada is somewhat unclear.

[47] Accordingly, this ground of opposition based on section 12(1)(d) of the Act is successful.

SECTION 16 GROUND OF OPPOSITION – NON-ENTITLEMENT

[48] The Opponent pleads that the Applicant is not the person entitled to registration of the Mark pursuant to section 16(3)(a) of the Act in that, as of the date of filing of the application, namely, February 27, 2013, the Mark was confusing with (i) the Yellow Strand trademark previously used in Canada by the Opponent and its predecessors in title in association with wire rope; and (ii) the Two Yellow Strands trademark previously used in Canada by the Opponent and its predecessor in title in association with wire rope.

[49] To meet its initial burden with respect to a section 16(3)(a) ground of opposition based on prior use of a trademark, the Opponent was required to demonstrate use of its Yellow Strand trademark and/or its Two Yellow Strands trademark prior to the material date of February 27, 2013 (the date of filing of the application, per section 16 of the Act).

[50] The relevant definition of "use" is set out in section 4(1) of the Act as follows:

4(1) A trademark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

[51] Although the Chandler Affidavit provides sales figures [para 7] and includes statements that the Yellow Strand trademark has been used in Canada “since at least as early as 1930” [para 8] and that the Two Yellow Strands trademark has “been used in Canada for more than thirty years” [para 6], given the ambiguity discussed above, these amount to mere assertions of use. The only clear evidence of transfers in Canada of wire rope goods in association with either trademark is a single invoice from 2015, after the material date [para 7, Exhibit B].

[52] As the Opponent has not clearly demonstrated use of its trademarks prior to the material date, I find that the Opponent has not satisfied its initial burden with respect to this ground for either pleaded trademark.

[53] In view of the foregoing, this ground of opposition based on section 16 of the Act is rejected.

[54] I would note that if I had found that the Opponent had satisfied its initial burden, the conclusion with respect to the test for confusion, as above, would have been in the Opponent’s favour.

SECTION 2 GROUND OF OPPOSITION – NON-DISTINCTIVENESS

[55] The Opponent pleads that the Mark is not distinctive of the Applicant within the meaning of section 2 of the Act in that the Mark does not and cannot actually distinguish the goods with which it is proposed to be used by the Applicant from the goods of the Opponent nor is it adapted so to distinguish them given that the Mark is confusing with the Opponent’s Yellow Strand trademark.

[56] The material date for this ground of opposition is the filing date of the opposition, namely, December 21, 2015 [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185, 34 CPR (4th) 317 at para 25].

[57] In order to meet its initial evidential burden under this ground of opposition, the Opponent must show that its Yellow Strand trademark had a substantial, significant or sufficient reputation in Canada in association with the relevant wire rope goods as of the material date [see *Bojangles’ International LLC v Bojangles Café Ltd*, 2006 FC 657 at para 34].

[58] While not specifically referenced in the Opponent’s pleading under this ground, I accept that display of the Two Yellow Strands trademark is an acceptable deviation of the Yellow Strand trademark [see *Unirope Limited v WireCo Worldgroup Inc*, 2018 TMOB 161 at para 13 for such a conclusion in the context of a section 45 proceeding with respect to the Opponent’s registration for the Yellow Strand trademark]. Nevertheless, the evidence with respect to both trademarks falls short of satisfying the Opponent’s initial burden. In view of the ambiguity above, only one sale in Canada has been clearly evidenced and, while the Two Yellow Strands trademark is displayed in the Opponent’s promotional materials [para 4, Exhibit A], the extent to which such materials were distributed in Canada prior to the material date or otherwise is unclear.

[59] As such, one is left to speculate as to whether “sufficient knowledge” of the Opponent’s Yellow Strand trademark was present as of the material date; the Federal Court has indicated that such speculation should be resisted [*1648074 Ontario Inc v Akbar Brothers (Pvt) Ltd*, 2019 FC 1305 at para 53]. Accordingly, I find that the Opponent has not met its initial burden with respect to this ground.

[60] In view of the foregoing, this ground of opposition based on non-distinctiveness is rejected.

DISPOSITION

[61] In view of all of the foregoing, pursuant to section 38(12) of the Act and the authority delegated to me under section 63 of the Act, I refuse the application.

Andrew Bene
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE: 2020-07-08

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