

The Impact of a Design in a Trademark Dispute Revisited

A recent decision of the Federal Court once again gives little weight to the use of a design element in a trademark opposition.

The Facts

The applicant filed a trademark application based on use in association with apple-based alcoholic beverages and based on proposed use in association with apple-based non-alcoholic products all in association with the design shown below:



The Opposition

The opponents opposed the application on the grounds, among others, that there was a likelihood of confusion between the applied-for mark and the opponent's trademark PINNACLE, PINNACLE & DESIGN, PINNACLES and PINNACLES RANCHES for wines. The specific grounds of opposition alleged that the mark was not registrable because it was confusing with the registered trademark that the applicant was not entitled to registration since it was confusing with the opponent's trademark as set out above.

The hearing officer referred to the statutory test for confusion and said that regard must be had to all the surrounding circumstances as listed by the *Act*, namely, (a) the inherent distinctiveness of the trademarks and the extent to which they have become

known; (b) the length of time the trademarks have been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trademarks in appearance or sound or in the ideas suggested by them. This list is not exhaustive and all relevant factors are to be considered. Further, all factors are not necessarily attributed equal weight as the weight to be given to each depends on the circumstances.

The key issue was whether a consumer who had a general and not precise recollection of the opponent's trademark PINNACLES would be likely upon seeing the applied-for mark to believe that they were associated or shared a common source.

The hearing officer concluded that there was not a reasonable likelihood of confusion between the respective marks. While there were some overlapping channels of distribution all of the other factors favoured the applicant. There was a fair degree of resemblance between the respective marks as the dominant element was the word PINNACLE, but the ideas suggested by the marks were quite different. The applicant's mark contained an apple element which was linked to apple-based products while the opponent's mark suggested a plurality of summits or pinnacles.

The Appeal

The opponents appealed to the Federal Court from the hearing officer's decision. While additional evidence was filed the judge determined that the standard of review was reasonableness which means that the hearing officer's expertise must be given deference and the court will intervene only if the decision is clearly wrong.

After the record and factums in this case had been filed with the court, the decision in *Restaurants la Pizzaiolle Inc. v. Pizzaiolo Restaurants Inc.* was released. The

opponents argued that decision was determinative of this case. We discussed this case in our newsletter article of March, see <http://bit.ly/1JBV50V>.

The judge said that the determinative issue in the appeal was the error made by the hearing officer in the determination of the degree of resemblance between the marks together with the impact that this error had on the Board's analysis of the other factors under the confusion test.

The judge said that the registration of a word mark granted to the owner the right to use the mark in any way, shape or form that it wished including the same style of lettering and design that the applicant had used in its applied-for design mark.

The judge in the *Pizzaiolle* case had left the door open to distinctions being made between symbols and distinctive designs on the one hand and lettering, colour and design or graphic on the other hand. However, the judge in this appeal did not agree there should be such a distinction.

The judge concluded that based on the *Masterpiece* decision so long as a registered word mark was relied on in an opposition, the question of potential uses included in a registration was pertinent and not distinguishable. It made no difference that the applied-for mark was a design mark. The Board should have taken into account that the registered word mark PINNACLE could have had a different style of lettering, colour or design which would have suggested the same features that the hearing officer referred to in this case to distinguish the respective marks.

Comment

This decision is even more surprising than the *Pizzaiolle* decision which we believe is under appeal.

The two decisions are troubling since they appear to interpret the *Masterpiece* decision in an overly broad fashion. It seems more reasonable to interpret the reference to “design” in *Masterpiece* as referring to the presentation of the word(s) of a word mark not the surrounding elements.

John McKeown

Goldman Sloan Nash & Haber LLP

480 University Avenue, Suite 1600

Toronto, Ontario M5G 1V2

Direct Line: (416) 597-3371

Fax: (416) 597-3370

Email: mckeown@gsnh.com

These comments are of a general nature and not intended to provide legal advice as individual situations will differ and should be discussed with a lawyer.