

## **The Meaning of Trademarks**

A recent decision of the Federal Court gave significant emphasis to the meaning of the trademarks in dispute in determining whether confusion existed.

### **The Facts**

In 2008 Benjamin Moore & Co., Limited (“Benjamin Moore”) filed an application for the trademark NATURA for use in association with “paints, varnishes and lacquers”. In the course of examination the examiner took the position that the applied-for mark was confusing with pending application for the trademark NATURA for natural wood strippers filed by Home Hardware Stores Limited (“Home Hardware”).

Later in 2008 Home Hardware filed an application for the trademark BEAUTI-TONE NATURA for interior paint. Benjamin Moore successfully opposed Home Hardware’s application for the trademark BEAUTI-TONE NATURA on the basis of confusion with Benjamin Moore’s pending NATURA application.

In January 2009 Benjamin Moore then filed applications for the trademarks BENJAMIN MOORE NATURA and BENJAMIN NATURA & DESIGN. Home Hardware opposed these applications on the basis of a number of registrations owned by it that contained the component NATURA as well as its allowed application to the trademark NATURA for natural wood strippers. The matter proceeded for hearing before the Trademarks Opposition Board (“Board”). The primary ground of opposition was confusion between the respective marks. The Board found in favour of Benjamin Moore and Home Hardware appealed to the Federal Court.

## The Decision of the Board

The *Trademarks Act* provides that the use of a trademark that 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 associated with those trademarks are manufactured or sold by the same person, whether or not the goods are of the same general class.

Subsection 6(5) provides that, in determining whether trademarks are confusing the court or the Board, as the case may be, must have regard to all the surrounding circumstances including:

- (a) the inherent distinctiveness of the trademarks or trade-names and the extent to which they have become known;
- (b) the length of time the trade-marks or trade names have 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 or trade-names in appearance or sound or in the ideas suggested by them.

The judge reviewed the decision of the Board in detail and provided the following summary of the Board's application of the statutory factors:

Inherent and acquired distinctiveness (paragraph 6(5)(a))	Neither (earliest material date); Benjamin Moore (later material dates)
Length of use (paragraph 6(5)(b))	Neither

Nature of the wares (paragraph 6(5)(c))	Benjamin Moore
Nature of the trade (paragraph 6(5)(d))	Benjamin Moore
Degree of resemblance (paragraph 6(5)(e))	Benjamin Moore

### **The Federal Court**

In the appeal Home Hardware filed a significant amount of new evidence. The first category of new evidence related to the evolution and sales history of Home Hardware's NATURA brand, particularly with respect to paint, and the fact that significant sales had occurred. The second category of evidence showed that some Home Hardware retail stores sold Benjamin Moore branded paints in Canada. The third category of evidence consisted of a copy of the file history for the trademark NATURA, which Benjamin Moore had unsuccessfully applied for. The examiner for that application took the position that the applied-for mark was confusing with Home Hardware's prior rights relating to the trademark NATURA in Canada. Benjamin Moore abandoned this application and shortly after becoming aware of the examiner's position filed for BENJAMIN MOORE NATURA and BENJAMIN MOORE NATURA & DESIGN.

If this new evidence would have materially affected the decision of the Board, the standard of review is correctness and the court must carry out a *de novo* analysis of the grounds of opposition having regard to all of the evidence. On the other hand, if the new evidence would not have materially affected the Board's findings the court need only determine whether the Board's decision was reasonable in the circumstances and fell within the range of possible acceptable outcomes which were defensible on the facts and the law.

The court found that the new evidence would have materially affected the decision of the Board. The hearing officer had explicitly said that the conclusions reached concerning paragraph 6(5)(a) and (b) were informed, at least in part by the lack of evidence filed by Home Hardware. The new evidence significantly augmented the record and case law supported the position that such a conclusion was required where there had been a deficiency or absence of evidence. As a result the court considered the matter *de novo*.

With respect to paragraph 6(5)(a) the court said the word NATURA is not highly distinctive since it suggests the quality of naturalness. However, NATURA was not an English word in common use in everyday language. As a result it possessed some uniqueness, particularly in association with paint and paint related products.

With respect to acquired distinctiveness, Home Hardware's new evidence established its NATURA brand in the context of paint and paint related products had acquired considerable distinctiveness in the marketplace at the various material dates. As a result, Home Hardware's evidence showed it had superior acquired distinctiveness in relation to its trademarks.

With respect to paragraph 6(5)(b) the court found that the hearing officer had erred in the conclusion that this factor did not favour either party. The judge concluded that while the length of use was not as determinative as the other factors, the fact that Home Hardware used its BEAUTI-TONE NATURA trademark before Benjamin Moore had used its trademark by a few months favoured Home Hardware.

With respect to paragraph 6(5)(c) the judge found that there was some overlap between the parties respective wares and both parties sold the same respective wares.

With respect to paragraphs 6(5)(d) the judge agreed, based on the new evidence, that there was potential overlap in the parties channels of trade and that Canadian consumers could purchase Benjamin Moore's products at Home Hardware stores.

With respect to 6(5)(e) the court found that the Board did not address one important aspect of potential confusion because the Board did not consider the idea related to the respective trademarks. Both parties deliberately used the word NATURA to indicate the naturalness or environmental friendliness of their potential products to purchasers. This was essential to both parties' marks and raised the likelihood of confusion despite the other differentiating aspects of the respective marks. For confusion to exist it was not necessary that the trademarks were identical only that the same idea was conveyed to the somewhat-hurried consumer to induce a mistaken inference.

As a result of his review of the statutory factors the judge arrived at his own revised summary which is as follows:

- 1) the distinctiveness factor slightly favours the applicant;
- 2) the length of use factor slightly favours the applicant;
- 3) the nature of the wares factor weighs in favour of the applicant;
- 4) there is some overlap in the channels of trade; and
- 5) the degree of resemblance factor favours the applicant.

Taking these matters into consideration the judge concluded that an ordinary consumer would likely be confused as to whether the parties respective trademarks originated from the same source particularly as those marks were used in association with paint notwithstanding the parties used the respective composite modifiers BEAUTI-TONE and BENJAMIN MOORE respectfully.

## **Comment**

Certainly this has been a hard fought battle between the parties concerning the registration and use of the trademark NATURA. The judge's willingness to emphasize the significance of the meaning of the component NATURA in the context of a confusion analysis is significant.

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*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.*