

Federal Court



Cour fédérale

Date: 20210601

Docket: T-1906-19

Citation: 2021 FC 518

Ottawa, Ontario, June 1, 2021

PRESENT: Mr. Justice McHaffie

BETWEEN:

SCHNEIDER ELECTRIC INDUSTRIES SAS

Applicant

and

SPECTRUM BRANDS, INC.

Respondent

JUDGMENT AND REASONS

I. Overview

[1] In trademark opposition proceedings, if an opponent has a trademark application that matures to registration after the Statement of Opposition is filed, they must amend their Statement of Opposition if they wish to rely on the new registration as a ground of opposition. The primary issue on this appeal from a decision of the Registrar of Trademarks (2019 TMOB 94) is whether this rule also applies to applications to extend the statement of goods or services in an existing registered trademark. I conclude that it does not.

[2] There are two related rationales for the rule: the requirement that grounds of opposition be sufficiently set out in the statement of opposition, and fairness to the applicant. With respect to the former, unlike the case of a new application, amendment of a pleaded registration does not raise a new ground of opposition. If both the statutory ground and the relevant registration are adequately pleaded, the extension of the registration does not require an amendment to the statement of opposition. With respect to the latter, where there is no issue with respect to fair notice, as in this case, the Registrar may exercise their discretion to confirm the status of the registration as at the date of decision. The Registrar therefore did not err in deciding the registrability of Schneider Electric Industries SAS's trademark WISER by assessing whether it was confusing with Spectrum Brands, Inc's registration for the trademark WEISER as it stood on the date of decision. I uphold the Registrar's decision allowing Spectrum's opposition in part and refusing Schneider's application with respect to certain goods.

[3] Schneider also challenges the Registrar's finding that Spectrum met its evidentiary burden with respect to its allegation that Schneider's WISER trademark was not distinctive. Schneider has not satisfied me that the Registrar made a palpable and overriding error on this issue. The Registrar assessed Spectrum's sales evidence, and concluded it showed the WEISER trademark had become known in Canada in association with "smart lock" products prior to the date of the Statement of Opposition. That factual inference was open to the Registrar on the record and shows no reversible error.

[4] The appeal is therefore dismissed with costs, which the parties have agreed should be set at \$2,500.00.

II. The Opposition and the Registrar's Decision

A. *Schneider's WISER Application and Spectrum's WEISER Trademarks*

[5] On December 14, 2011, Schneider applied for registration of the trademark WISER, for use in association with a variety of goods including various electric apparatus and instruments; and a variety of services that generally relate to electric installations, electrical energy management, and building management. The complete list of goods and services, as revised by Schneider, is reproduced as Schedule A to the Registrar's decision, *Spectrum Brands, Inc v Schneider Electric Industries SAS*, 2019 TMOB 94. The goods at issue on this appeal are limited to the following goods, which for ease of reference, I will term the "household controller goods":

temperature controllers; electric apparatus and installations for the control, remote control, radio control and management of household electric apparatus and installations; control interfaces and displays for household apparatus and installations

[6] Spectrum opposed Schneider's application. Spectrum is the registered owner of a number of word and design trademarks that incorporate the name WEISER. These include, materially for the purposes of this appeal, trademark registration TMA129,747 for the trademark WEISER for use in association with a variety of lock and door hardware goods [the '747 Registration].

[7] At the time of Spectrum's opposition, the '747 Registration listed goods in two categories, as follows:

(1) Inside latch sets, inside lock sets, inside emergency bath lock sets, inside closet latch sets, key-in-knob lock sets, cylinder grip handle lock sets, cylinder knob lock sets, cylinder spring latches, cylinder dead locks, dead bolts, entrance latch and cylinder dead

lock combinations, entrance latch and cylinder spring latch combinations and key blanks.

(2) Cabinet hardware, door closers, hinges, door trim and decorative trim.

The goods in category (1) were registered in 1963 based on use in Canada since 1938, while those in category (2) were registered in 1977 as a result of an amendment filed in 1975.

[8] On May 29, 2013, Spectrum had filed an application to further amend the '747 Registration to add a series of new goods. These included electronic goods such as electronic door locks, keypads, electronic door locks activated remotely by fobs, home automation lock systems, and touch screens, namely, electronic visual displays for use in association with electronic locks. The new goods were categorized into eight groups. Six of these claimed various dates of first use, while the remaining two were filed based on proposed use. This application to extend the statement of goods was given application number 263,593(01) [the '593 Application]. I note for accuracy that the application to extend the '747 Registration and the Statement of Opposition were filed in the name of Kwikset Corporation, a company that subsequently merged with and into Spectrum.

B. *Spectrum's Statement of Opposition and Evidence*

[9] Subsection 38(2) of the *Trademarks Act*, RSC 1985, c T-13 sets out seven grounds on which a statement of opposition to a trademark application may be based. These include that the trademark is not *registrable* [paragraph 38(2)(b)], that the applicant is not the *person entitled to registration* [paragraph 38(2)(c)], and that the trademark is not *distinctive* [paragraph 38(2)(d)].

These terms in turn engage other sections of the *Trademarks Act*: *registrability* is addressed in section 12; *entitlement* in section 16; and *distinctiveness* in the definition of “distinctive” in section 2.

[10] A mark may be *unregistrable* under section 12 for a number of reasons, including being descriptive or deceptively misdescriptive [paragraph 12(1)(b)]; being the name in any language of the goods or services [paragraph 12(1)(c)]; or being confusing with a registered trademark [paragraph 12(1)(d)]. Similarly, a person may not be the *person entitled* to registration under section 16 for a number of reasons, including that the mark applied for was—on the earlier of its date of adoption or the date of application—confusing with a trademark previously used or made known by another person [paragraph 16(1)(a)]; or confusing with a trademark for which an application had been previously filed [paragraph 16(1)(b)]. A trademark will not be *distinctive* if it does not actually, or is not adapted to, distinguish the owner’s goods and services from those of others [section 2 (“distinctive”)].

[11] On April 11, 2014, Spectrum opposed Schneider’s trademark application. In its Statement of Opposition, Spectrum identified itself as the owner of the “WEISER Trade-marks,” which it defined as including the ’747 Registration, the ’593 Application, and other WEISER-formative trademark registrations. The Statement of Opposition set out a chart with the trademark, the application or registration number, and the listed goods and services for each of the “WEISER Trade-marks.”

[12] Spectrum raised four grounds of opposition in the Statement of Opposition, of which the following two are relevant to this appeal:

Section 38(2)(b) and Section 12(1)(d)

(d) The applied-for trade-mark is not registrable as it is confusing with the Opponent's WEISER Trade-marks set out in paragraph 4 above.

[...]

Section 38(2)(d) and Section 2

(f) The applied-for trade-mark is not distinctive of the Applicant in view of Section 2 of the Act. In particular, the applied-for trade-mark WISER is not distinctive of the Applicant within the meaning of Section 2 of the Act in that, at all material dates, WISER was confusing with the WEISER Trade-marks. As such, the applied-for mark neither distinguishes nor is it adapted to distinguish the wares of the Applicant from the wares of the Opponent referred to in Schedule "A".

[13] In support of its opposition, Spectrum filed an affidavit from Sydney Pell, Marketing Director, Locks at Spectrum. When the affidavit was sworn in December 2015, Spectrum's application to extend the statement of goods in the '747 Registration remained pending. Mr. Pell gave evidence regarding goods that were sold in association with the WEISER Trademarks (a term he defined more broadly than in the Statement of Opposition, adding reference to three trademarks that do not include the WEISER name).

[14] Mr. Pell's evidence made reference in particular to "smart lock" products (locks that interact with wireless devices like smartphones, tablets, or a keychain fob) sold under the trademark WEISER KEVO. Mr. Pell described awards and media attention given to the WEISER KEVO door lock. He also provided annual sales figures for Canadian sales of WEISER goods from 2010 to 2015, and for WEISER KEVO smart locks for 2014 and 2015.

[15] On June 7, 2016, the '593 Application matured to registration, such that the '747 Registration included the additional goods identified in the '593 Application.

[16] The parties filed their written arguments in the opposition proceeding a year later in May and June 2017. The opposition was heard on February 19, 2019.

C. *The Registrar's Decision*

[17] The Trademarks Opposition Board, on behalf of the Registrar, issued its decision on September 11, 2019. The Registrar correctly identified the applicable version of the relevant provisions of the *Trademarks Act* (significant amendments having been introduced between the date of advertisement and the date of decision). They also correctly noted that Schneider bore the onus of establishing its application complied with the *Trademarks Act*, but that Spectrum bore an initial evidential burden to “adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist”:

Registrar's decision at para 11; *John Labatt Ltd v Molson Companies Ltd*, 1990 CanLII 11059, 30 CPR(3d) 293 (FCTD) at pp 298–300; *The Clorox Company of Canada, Ltd v Chloretec SEC*, 2020 FCA 76 at para 37.

[18] Before turning to the analysis of confusion between the WISER mark applied for and Spectrum's WEISER marks, the Registrar noted their discretion to confirm that the registrations relied on were in good standing as of the date of decision, which is the relevant date to assess the paragraph 12(1)(d) registrability ground: *Park Avenue Furniture Corp v Wickes/Simmons Bedding Ltd*, 1991 CanLII 11769, 37 CPR (3d) 413 (FCA) at p 424. The Registrar noted the amendments to the '747 Registration in the following paragraphs:

[16] I further note that registration No. TMA129,747 for the trademark WEISER was amended by the Registrar on June 7, 2016. More particularly, the goods (3) to (10) enumerated in Schedule B to my decision were added to the registration when application No. 263,593(1) filed on May 29, 2013 for extending the statement of goods covered by existing registration No. TMA129,747 matured to registration on June 7, 2016. At the hearing, the Applicant submitted that I should consider the statement of goods as it read at the time the statement of opposition was filed. The Applicant takes the position that the Opponent should have sought leave to amend its statement of opposition in order to reflect the fact that application No. 263,593(1) had matured to registration. I respectfully disagree.

[17] As indicated above, I must ensure that each of the registrations relied upon by the Opponent in support of the present ground of opposition is extant as of the date of my decision. In the present case, application No. 263,593(1) to extend the statement of goods covered by registration No. TMA129,747 has been pleaded by the Opponent in support of its section 12(1)(d) ground of opposition along with the Opponent's existing registrations listed at Schedule B. The Applicant is not taken by surprise, nor does this result in a new ground of opposition per se, as registration No. TMA129,747, into which application No. 263,593(1) matured to registration, has been pleaded by the Opponent. In my view, the present case is distinguishable from the situation where an opponent, relying on a trademark in respect of which an application for registration had been previously filed, attempts to rely on the registration that issued from the same application, without having properly pleaded the existence of that registration in its statement of opposition, thus resulting in the addition of a completely new ground of opposition. I will therefore consider registration No. TMA129,747 as amended. I wish to add that if I am wrong in so doing, this does not change the ultimate outcome of the present opposition, especially in view of my finding under the section 2 (non-distinctiveness) ground of opposition discussed later.

[Emphasis added.]

[19] Having concluded they should consider the '747 Registration as amended, the Registrar considered the elements of the test for confusion set out in subsection 6(5) of the *Trademarks Act*. The Registrar found that Schneider's WISER trademark was confusing with the WEISER trademark in the '747 Registration with respect to the household controller goods identified in

paragraph [5] above. The amendments to the '747 Registration were of particular importance in this determination, since the Registrar relied on the inclusion of electronic and keyless locks, which only appear in the amendments, in finding an indirect overlap with the household controller goods. This led the Registrar to allow the opposition and refuse the application with respect to the household controller goods based on the registrability ground of opposition [paragraphs 38(2)(b) and 12(1)(d)].

[20] The Registrar reached the same result on the distinctiveness ground of opposition [paragraph 38(2)(d) and section 2], based not on the status of the registration, but on Spectrum's evidence that the WEISER trademark had become known in respect of smart locks in Canada.

III. Issues and Standards of Review

[21] Schneider raises the following two substantive issues:

- A. Did the Registrar err in basing its conclusion that Schneider's trademark was unregistrable on Spectrum's extended trademark registration even though Spectrum did not amend its Statement of Opposition after the application to extend the trademark matured to registration?
- B. Did the Registrar err in finding that Spectrum had met its evidentiary burden in association with "smart lock" products?

[22] As this matter is before the Court by way of an appeal under section 56 of the *Trademarks Act*, the parties agree that the appellate standards of review are applicable: *Clorox* at

paras 22–23; *Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65 at paras 17, 36–37. On these standards, pure questions of law are reviewable on a “correctness” standard, while findings and inferences of fact are reviewable on a “palpable and overriding error” standard: *Housen v Nikolaisen*, 2002 SCC 33 at paras 8, 10, 19, 25. Questions of mixed fact and law that do not engage an extricable question of pure law are similarly reviewable on the palpable and overriding error standard: *Housen* at paras 26–37.

[23] The parties initially presented the first of the stated issues as a question of law to which the correctness standard applies, although at the hearing submissions were also made that the Registrar’s decision involved the application of the legal principle to the particular facts. In my view, there are two aspects to the first issue. The question of whether a statement of opposition must be amended if a cited registration is extended before the hearing of the opposition is an extricable legal question attracting the correctness standard. However, the Registrar’s exercise of their discretion to confirm the status of the ’747 Registration, and their factual conclusions regarding the fairness of doing so, are matters of mixed fact and law that attract the palpable and overriding error standard.

[24] I agree with the parties that the second issue raises a question of fact and mixed fact and law that should only be reversed if the Registrar made a palpable and overriding error.

[25] As the Registrar partially refused Schneider’s application for registration based on both the registrability ground of opposition and the distinctiveness ground of opposition, Schneider recognizes it must succeed on both of the identified issues to be successful on this appeal.

IV. Analysis

A. *The Registrar did not err in considering the '747 Registration as amended*

(1) Established principles in trademark oppositions

[26] Several relevant principles regarding trademark opposition proceedings are well established and not in dispute in this appeal. First, paragraph 38(3)(a) of the *Trademarks Act* requires a statement of opposition to set out “the grounds of opposition in sufficient detail to enable the applicant to reply thereto.” This requirement allows the opponent to know the case it has to meet, as an “elementary condition of fairness”: *AstraZeneca AB v Novopharm Ltd*, 2001 FCA 296 at para 35, citing *Carling Breweries Ltd v Molson Companies Ltd*, [1984] 2 FC 920, aff’d [1988] FCJ No 10, 19 CPR (3d) 129. Defining the grounds of opposition through the statement of opposition establishes, among other things, the material dates for the confusion analysis, and thus affects the opponent’s evidential burden: *Autopark Superstore Inc v Chery Automobile Co, Ltd*, 2018 TMOB 29 at para 8.

[27] Second, in addressing an opposition, the Registrar is limited to the grounds raised in the statement of opposition: *Pernod Ricard, SA v Molson Breweries*, [1995] FCJ No 1577, 64 CPR (3d) 356 (CA) at para 2; *McDonald’s Corp v Coffee Hut Stores Ltd*, [1994] FCJ No 638, 55 CPR (3d) 463 (TD) at paras 16–17, aff’d 1996 CanLII 3963 (FCA). Failure to raise or properly plead a ground of opposition in the statement of opposition, or to amend the statement of opposition to include that ground, means the ground will not be considered as a basis to refuse the trademark application: *Pernod Ricard* at para 2; *Autopark* at paras 10–13.

[28] Third, a ground of opposition based on a prior application is different than a ground of opposition based on a trademark registration. A prior application may be the basis of an entitlement ground of opposition under paragraphs 38(2)(c) and 16(1)(b), since the applicant is not the person entitled to register the trademark if it was confusing with a previously filed trademark on the earlier of the date of adoption or the date of application of the opposed trademark. However, opposition based on registrability under paragraphs 38(2)(b) and 12(1)(d) can only be based on a trademark registration.

[29] Fourth, since the material date for determining registrability under paragraphs 38(2)(b) and 12(1)(d) is the date of decision, the Registrar has the discretion to review the register at the date of decision, to confirm the existence and status of registrations cited by the opponent:

Quaker Oats of Canada Ltd/La Compagnie Quaker Oats Du Canada Ltée v Menu Foods Ltd, [1986] TMOB No 254, 11 CPR (3d) 410 at para 3; *Home Hardware Stores Limited v Ames True Temper Properties, Inc*, 2010 TMOB 213 at para 12.

[30] The fifth principle, and the one most directly relevant to the current proceedings, relates to the situation where an opponent's trademark application matures to registration after a statement of opposition has been filed. In such cases, the Trademarks Opposition Board has held in a number of decisions that an opponent cannot rely on such registrations for a registrability ground under paragraphs 38(2)(b) and 12(1)(d) unless the statement of opposition is amended to refer to them, even if the application was cited in the statement of opposition: *Ferrero SpA v Cantarella Bros Pty Limited*, 2012 TMOB 45 at paras 11–14; *Nautica Apparel, Inc v Tekna BVBA*, 2012 TMOB 93 at para 47; *1772887 Ontario Limited v GeoAdvice Engineering Inc*, 2011

TMOB 63 at para 12; *Everything for a Dollar Store (Canada) Inc v Dollar Plus Bargain Centre Ltd*, 1998 CanLII 18549 (CA TMOB).

[31] The Trademarks Opposition Board explained the reasons behind this approach in *Ferrero*. There, Ferrero opposed an application for the trademark NUTINO based on confusion with its NUTELLA trademarks. Ferrero's statement of opposition identified registrability under paragraphs 38(2)(b) and 12(1)(d) as a ground of opposition, making reference to two NUTELLA registered trademarks as well as an outstanding application for the trademark NUTELLA & GO. The NUTELLA & GO application matured to registration before the hearing of the opposition. The Trademarks Opposition Board concluded Ferrero could not rely on that registration for the paragraph 12(1)(d) registrability ground, even though it had referred to it in its statement of opposition:

Arguably, the Opponent's application No. 1,324,421 has been pleaded under the s. 12(1)(d) ground because it was referred to in the statement of opposition under the s. 12(1)(d) ground. However, in my view it cannot be considered under the Opponent's s. 12(1)(d) ground as pleaded because only registered marks can form the basis of an allegation that the Mark is not registrable pursuant to s. 12(1)(d). Since the pending application was not able to form the basis of an allegation that the Applicant's trade-mark is not registrable pursuant to s. 12(1)(d) at the time of filing the statement of opposition, it was not properly pleaded at that time. Had the Opponent wanted this registration to be considered under its s. 12(1)(d) ground, it should have requested leave to file an amended statement of opposition. The Opponent's NUTELLA & GO mark will therefore not be considered under the s. 12(1)(d) ground. I would like to add that even if it could be considered, I would not have found that the Registrar's discretion would extend to considering applications under the s. 12(1)(d) ground that were pending at the filing date of the opposition and have since matured to registration as I find that it would be unfair to the Applicant to do so.

[Emphasis added; *Ferrero* at para 14.]

[32] The Trademarks Opposition Board thus identified two primary reasons why Ferrero could not rely on the new registration: (1) it had not been properly pleaded at the time of the statement of opposition since the trademark registration was not identified and could not form the basis of a registrability ground under paragraph 12(1)(d) at that time; and (2) it would be unfair to the applicant to consider the new registration not identified in the statement of opposition. Ferrero therefore had to seek leave to amend its statement of opposition if it wanted to rely on the new registration for its registrability ground under paragraphs 38(2)(b) and 12(1)(d).

[33] Schneider argues this rule, which I will call the “*Ferrero* rule” for ease of reference, applies to prevent Spectrum from relying on the amendment to its ’747 Registration that matured to registration after its Statement of Opposition was filed. Spectrum does not dispute the *Ferrero* rule itself, but argues the Registrar was right to find it does not apply in the present case, in which the application that matured was to amend an existing registration. For the following reasons, I agree with Spectrum and the Registrar.

(2) The *Ferrero* rule does not apply

[34] As set out above, Spectrum’s Statement of Opposition asserted that Schneider’s trademark was “not registrable as it is confusing with the Opponent’s WEISER Trade-marks...” The “WEISER Trade-marks” were defined to include the ’747 Registration, as well as other registrations and the ’593 Application.

[35] In my view, this means the first concern identified in *Ferrero* does not arise. At the time of the Statement of Opposition, the '747 Registration (a) was a registered trademark; (b) was identified as a registered trademark on which Spectrum relied for its registrability ground; and (c) could form the basis of an allegation that Schneider's trademark was not registrable pursuant to paragraph 12(1)(d). As the Registrar correctly concluded, the amendment of the '747 Registration does not result in a new ground of opposition, as both the statutory ground and the trademark in question were identified in the Statement of Opposition. The Registrar was therefore able to address the ground in determining the opposition: *Pernod Ricard* at para 2. The Registrar was right to distinguish this situation from one in which an opponent tries to rely on a new registration without having properly pleaded the existence of that registration in the statement of opposition, "resulting in the addition of a completely new ground of opposition": Registrar's decision at para 17.

[36] Schneider argues that, as in *Ferrero*, the goods listed in the amendment application were not part of the '747 Registration at the time of the Statement of Opposition. However, there is a difference between the grounds of opposition, which were at issue in *Ferrero*, and the factors relevant to the confusion analysis, which include the nature of the goods and services: *Trademarks Act*, s 6(5)(c). The extension of the '747 Registration did not raise a new ground of opposition, although it changed the factors in the confusion analysis. Arguments regarding the factors in the confusion analysis may be affected by the passage of time and the parties' evidence without requiring amendment of the Statement of Opposition.

[37] It is important to note that the *Ferrero* rule does not preclude reliance on a newly registered trademark. It simply requires that a statement of opposition first be amended to plead the registrability ground and registration. But what amendment to the statement of opposition is required when a previously pleaded registration is extended? Schneider concedes that Spectrum's Statement of Opposition would have been adequate for purposes of paragraph 38(3)(a) of the *Trademarks Act* if it had simply given the registration number of the '747 Registration rather than also listing the goods in the registration. In such a case, it is difficult to see what "amendment" to the Statement of Opposition would be required, or could even be made, after the '593 Application matured so as to extend the '747 Registration. The opposition ground—that the applied-for trademark is not registrable pursuant to paragraphs 38(2)(b) and 12(1)(d) because it is confusing with the '747 Registration—would be identical both before and after the registration was extended. An amendment cannot be required where the amendment would not change the document.

[38] In my view, the situation does not change because Spectrum's Statement of Opposition provided additional detail by including a column in its chart that listed the goods and services in the identified registrations. While this meant the original goods in the '747 Registration appeared next to the registration number, while the amended goods appeared next to the application number of the '593 Application, this does not affect the ground of opposition, which remained that the applied-for trademark was confusing with the '747 Registration. No amendment to the Statement of Opposition was required for the ground of opposition to be considered, or for the '747 Registration to be considered as it appeared at the date of decision.

[39] Schneider concedes it was open to the Registrar to verify the status of the '747 Registration at the date of the hearing: *Quaker Oats* at para 3. It argues that if the '747 Registration had ceased to exist, or the statement of goods had been narrowed, the Registrar could and should have considered this in assessing the registrability ground. Indeed, the Registrar did so with respect to two other trademarks that were included in the definition of the "WEISER Trade-marks" in the Statement of Opposition but were expunged before the hearing. However, Schneider contends that in light of the *Ferrero* rule it was not open to the Registrar to determine on that verification that the statement of goods in the '747 Registration had been broadened by amendment.

[40] I cannot agree. The material date for the registrability ground of opposition was the date of decision. As the Registrar correctly held, the question for determination was whether, at that date, Schneider's WISER trademark was confusing with the '747 Registration: *Trademarks Act*, s 12(1)(d); *Park Avenue* at p 424. In my view, the Registrar's discretion to verify the status of a registration is not limited to a "one-way" verification in which the registration cannot be broader than it was at the time of the Statement of Opposition.

[41] As a further argument raised at the hearing of this appeal, Schneider pointed to subsection 41(2) of the *Trademarks Act*, which reads as follows:

41 (2) An application to extend the statement of goods or services in respect of which a trademark is registered has the effect of an application for registration of the trademark in respect of the goods or services specified in the application for amendment.

[Emphasis added.]

41 (2) Une demande d'étendre l'état déclaratif des produits ou services à l'égard desquels une marque de commerce est déposée a l'effet d'une demande d'enregistrement d'une marque de commerce à l'égard des produits ou services spécifiés dans la requête de modification.

[Je souligne.]

[42] Schneider argues that since an application to extend a statement of goods “has the effect” of a new application, the same rules should apply to an application to extend as to a new application, including the *Ferrero* rule. While this argument has some attraction, in my view it must fail since it ignores the reason for the *Ferrero* rule. The rule is not designed to create hurdles or require unnecessary amendments in an opposition proceeding. It is designed to recognize that a statement of opposition must set out the grounds of opposition with sufficient detail to allow the applicant to respond, and that an opposition is limited to the grounds identified in the statement of opposition: *Trademarks Act*, s 38(3)(a); *Pernod Ricard* at para 2. Subsection 41(2) notwithstanding, when a trademark registration is amended by an application to extend the goods, it remains the same trademark registration. A statement of opposition that relies on confusion with that trademark registration continues to set out the same grounds of opposition, even after the trademark registration is extended.

[43] This brings me to the second rationale for the *Ferrero* rule, that of fairness. A trademark applicant facing an opposition is entitled to know the case they have to meet, a principle that underlies the requirements of paragraph 38(3)(a): *AstraZeneca* at para 35. The reasonable

concern expressed in *Ferrero* is that it would be unfair for an applicant to face registrability arguments based on a new registration without having had the opportunity to address those arguments through evidence and/or submissions. In essence, the concern is one of fair notice to the applicant.

[44] In this case, the Registrar found there was no fairness concern, stating that Schneider was not “taken by surprise.” This finding was material to the Registrar’s exercise of discretion. Both the finding and the exercise of discretion were entitled to deference and should not be overturned absent palpable and overriding error.

[45] In my view, there was no such error. Schneider had fair and adequate notice that Spectrum’s registrability grounds included arguments based on the ’747 Registration as amended. The ’593 Application was identified in the Statement of Opposition. Mr. Pell’s affidavit gave evidence relating to use of the goods in the application, notably electronic locks, although it was sworn before the ’593 Application amended the ’747 Registration. Importantly, Spectrum’s written argument, filed a year after the registration was extended and 20 months before the hearing, identified the ’747 Registration as including the new goods. Spectrum made registrability arguments based on overlap between the goods in the Schneider application and the “electronic locks, and keypads” in the ’747 Registration, goods that only appear in the registration as amended.

[46] Schneider had the opportunity to respond, and did so. Its arguments included submissions that recognized Spectrum’s WEISER trademark was “used and registered in Canada in

association with [...] electronic locks, and keyless locks and locks systems” [emphasis added]. It clearly understood the asserted registration included the amended goods. Indeed, as the Registrar noted, it was not until the hearing that Schneider argued the ’747 Registration should only be considered as it stood on the date of the Statement of Opposition. There is no reason to interfere with the Registrar’s conclusion that Schneider was not taken by surprise.

[47] One can readily see that the conclusion on this latter point might be different if, for example, the amendment proceeded to registration the day prior to the hearing of the opposition. On this issue, I do not wish to be taken to rule out the possibility that in deciding whether to exercise their discretion, the Registrar might consider all of the relevant circumstances, including issues of timing, fairness, and prejudice. These are questions for another day, which do not arise in this case.

[48] I therefore agree with the Registrar that as no new ground of opposition was raised and there is no concern about fairness to Schneider, the *Ferrero* rule does not apply. The Registrar was entitled to consider the issue of confusion based on the ’747 Registration as it stood at the date of decision based on the Statement of Opposition as filed, and was entitled to exercise their discretion to confirm the status of the ’747 Registration at that date.

[49] Schneider does not contest the other aspects of the Registrar’s assessment of the registrability ground of opposition, including in particular the Registrar’s confusion analysis. I therefore uphold the decision of the Registrar with respect to the registrability ground and their

decision to grant the opposition in part and refuse Schneider's application for registration of the WISER trademark with respect to the identified household controller goods.

B. *The Registrar did not err in finding Spectrum had met its evidentiary burden*

[50] Although my finding with respect to the registrability ground is sufficient to dispose of the appeal, I will nonetheless address Schneider's second argument with respect to Spectrum's distinctiveness ground of opposition.

[51] It is common ground that a trademark applicant has the burden to show, based on all the evidence, that its application complies with the *Trademarks Act* and should proceed to registration. However, an opponent has an initial evidentiary burden to prove the facts on which its allegations are based. If there is "insufficient evidence to allow a reasonable conclusion of the existence of the facts alleged in support of the ground of opposition," the opposition must be rejected: *Clorox* at para 37.

[52] The material date for Spectrum's allegation of non-distinctiveness under paragraph 38(2)(d) and section 2 was April 11, 2014, the date it filed its Statement of Opposition: *Bojangles' International LLC v Bojangles Café Ltd*, 2006 FC 657 at para 21. The Registrar found Spectrum had met its evidentiary burden with respect to the distinctiveness ground as Mr. Pell's affidavit presented sufficient evidence that the WEISER trademark had become known in Canada at the material date.

[53] Mr. Pell's affidavit stated that WEISER® KEVO® smart locks had been available in Canada since 2013, and gave annual sales of those locks of 3 million dollars in 2014 and 1.8 million dollars in 2015. Mr. Pell gave no monthly breakdown of these sales, but the Registrar concluded that:

While no breakdown per month is provided, on a fair reading of Mr. Pell's affidavit as a whole, I am prepared to infer that a portion of these impressive sales occur[red] prior to April 30, 2014 [sic], especially in view of Mr. Pell's statements at paragraphs 22 and 23 of his affidavit reproduced below [...]

[Emphasis added; Registrar's decision at para 77.]

[54] The Registrar went on to reproduce two paragraphs of Mr. Pell's evidence that referred to the WEISER KEVO locks having won recognition in the industry, including receiving industry awards in 2013 and 2014.

[55] Schneider contends that the Registrar made a palpable and overriding error in their assessment of Mr. Pell's evidence. It argues there was no evidence pointing to the existence or extent of sales of WEISER KEVO products prior to the material date of April 11, 2014, and that the record did not allow the Registrar to make the finding they did. It claims that while the Registrar referred to Mr. Pell's statements regarding industry recognition of the WEISER KEVO products, they did not explain that link. Schneider further argues that this error was exacerbated by the Registrar's erroneous reference to April 30, 2014 (the date the Statement of Opposition was forwarded to Schneider) rather than the correct material date of April 11, 2014 (the date the Statement of Opposition was filed).

[56] I see no palpable and overriding error in the Registrar's decision. Spectrum put forward evidence that its smart lock products had been introduced in Canada in 2013, that they were sufficiently recognized to have received awards that year and the following year, and that they had 3 million dollars in sales in 2014. Given the deference due to findings of fact, including factual inferences, it was open to the Registrar to conclude that this was sufficient evidence to show sales in the first quarter of 2014, and that the WEISER trademark had become known in association with smart lock products by the material date. While the Registrar clearly made an error by referring to April 30 rather than April 11, 2014 as the material date, I cannot conclude this was a palpable and overriding one that "goes to the very core of the outcome of the case": *Clorox* at para 38. The Registrar's reasoning clearly related to the extent of sales in 2014 as a whole and the commencement of sales in 2013, rather than being focused in a way that would make the 19 days in April material.

[57] Schneider points to the decision of Justice Simpson in *MGM v Stargate* as an example of the difficulties of trying to extrapolate sales information from after the material date to show distinctiveness at that date: *Metro Goldwyn Mayer Inc v Stargate Connections Inc*, 2004 FC 1185 at paras 27–28. In that case, the Registrar concluded that evidence of total sales in the one-year period that started one month before the material date gave no evidence of the extent of sales by the material date. That is a different evidentiary situation and, in any event, *MGM v Stargate* cannot dictate the outcome in this case. While another decision-maker might conclude the evidentiary burden was not met based on the particular evidence before them, this does not limit the inferences the Registrar was entitled to make based on the evidence tendered by Spectrum.

V. Conclusion

[58] I conclude the Registrar did not err in conducting its confusion analysis for assessing Spectrum's registrability ground of opposition based on the goods listed in the '747 Registration as it read at the date of decision. Nor did it err in concluding that Spectrum had met its evidential burden in respect of its distinctiveness ground of opposition. As Schneider recognizes, either of these conclusions is sufficient to result in dismissal of this appeal.

[59] The appeal is therefore dismissed. The parties agreed that the successful party should be granted its costs in the lump sum of \$2,500.00, and I so order.

JUDGMENT IN T-1906-19

THIS COURT'S JUDGMENT is that

1. The appeal is dismissed.
2. The applicant shall pay costs to the respondent in the all-inclusive sum of \$2,500.00.

"Nicholas McHaffie"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1906-19

STYLE OF CAUSE: SCHNEIDER ELECTRIC INDUSTRIES SAS v
SPECTRUM BRANDS, INC

PLACE OF HEARING: HELD BY VIDEOCONFERENCE

DATE OF HEARING: FEBRUARY 1, 2021

JUDGMENT AND REASONS: MCHAFFIE J.

DATED: JUNE 1, 2021

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