

Federal Court



Cour fédérale

Date: 20111201

Dockets: T-1640-10  
T-1641-10

Citation: 2011 FC 1397

**BETWEEN:**

**MÖVENPICK HOLDING AG**

**Applicant**

**and**

**EXXON MOBIL CORPORATION AND  
ATTORNEY GENERAL OF CANADA  
(REGISTRAR OF TRADE-MARKS)**

**Respondents**

**REASONS FOR JUDGMENTS**

**HARRINGTON J.**

[1] A customer pulls into an Esso gas station to fill up. While there, he or she takes advantage of the adjacent **Marché Express** to run in and buy a loaf of bread, a litre of milk, baby diapers, the newspaper and a hot coffee and muffin to go. Is it likely that such a person would think that the same people were behind both the **Marché Express** convenience stores and the **Marché** restaurants?

[2] This is but one of three legal points being pursued by Mövenpick in this appeal from a decision on behalf of the Registrar of Trade-marks dismissing its opposition to Exxon Mobil's application to register "**Marché Express**" word and design for use in association with "convenience store and fast-food services offered at gasoline stations."

[3] The member of the Trade-marks Opposition Board of the Canadian Intellectual Property Office who was designated by the Registrar to hear the case (hereinafter the "Registrar"):

- a. decided that the marks were not clearly descriptive of "convenience stores" or "dépanneurs".
- b. decided that the marks were not confusing with the Mövenpick's "Marché" trade-mark for use in association with the operation of restaurants; and
- c. did not disturb Exxon Mobil's submission that the marks had been in use from 19 July 2001.

[4] Both parties have taken advantage of section 56 of the *Trade-marks Act* to adduce additional evidence which was not before the Registrar.

## **ISSUES**

[5] This appeal gives rise to the following issues:

- a. the standard of review;
- b. the reasonableness of the Registrar's decision in light of the evidence before her;
- c. the assessment of new evidence; and

- d. furthermore, as the evidence is not exhaustive, the burden of proof permeates throughout .

[6] Mövenpick need only succeed on one of its three grounds of appeal in order to have the Registrar's decisions set aside. Nothing turns on the application for the design. It all turns on the word mark.

[7] As in any case, there is an initial burden on the party who wishes to change the *status quo*. The burden is on Exxon Mobil (hereinafter referred to as "Esso", the name under which their gasoline stations are branded) to persuade the Registrar that it is entitled to have its trade-marks "Marché Express" word and design registered. If it succeeds, and there is no opposition, the registration would follow in the normal course. However, in the event of opposition, as here, if a *prima facie* case has been made out, an evidential burden falls upon Mövenpick to adduce sufficient evidence to rebut Esso's case, *i.e.* to persuade the Registrar that its grounds of opposition are sustainable. Once all the evidence is in, if the Registrar is unable to reach a conclusion, the application must be rejected (*John Labatt Ltd v Molson Co* (1990), 30 CPR (3d) 293, 36 FTR 70 (FC), *aff'd* (1992) 42 CPR (3d) 495, 144 NR 318 (FCA)).

[8] In the absence of new evidence, the standard of review on an appeal from a decision of a Registrar is reasonableness (*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, [2006] 1 SCR 772 at paragraphs 36 and 37; and *Dunsmuir v New Brunswick*, 2008 SCC 9, [2008] 1 SCR 190).

[9] As regards new evidence, as stated by Mr. Justice Binnie in *Mattel*, above, at paragraph 37:

37 [...] Reception of new evidence, of course, might (depending on its content) undermine the factual substratum of the Board's decision and thus rob the decision of the value of the Board's expertise. However, the power of the applications judge to receive and consider fresh evidence does not, in and of itself, eliminate the Board's expertise as a relevant consideration: *Lamb v. Canadian Reserve Oil & Gas Ltd.*, [1977] 1 S.C.R. 517, at pp. 527-28.

[10] The Court must determine whether the new evidence is material, or merely shores up the decision under appeal. If material, the Registrar's decision must be reviewed in light of all the evidence, both new and old, and the Court must come to its own conclusion. In *Shell Canada Ltd v P.T. Sari Incofood Corp*, 2008 FCA 279, 380 NR 317, Mr. Justice Marc Noël explained it as follows:

[22] With respect to the first issue i.e., the standard of review, the question which the Federal Court Judge had to address is whether the new evidence adduced before him would have materially affected the Registrar's findings of fact or the exercise of her discretion (*John Labatt Ltd.*, *supra*). If so, the task of the Federal Court Judge was to reassess the decision of the Registrar on the basis of the whole of the evidence and draw his own conclusion (*Canadian Tire Corp. v. Accessoires d'autos Nordiques Inc.*, 2007 FCA 367, 62 C.P.R. (4th) 436 (at para. 30)) [...]

*John Labatt Ltd.* refers to *Molson Breweries v John Labatt Ltd*, [2000] 3 FC 145, 5 CPR (4th) 180 (FCA).

[11] The points of appeal shall be considered in the sequence in which they were argued, both in the light of the evidence before the Registrar and the totality of evidence now before me.

[12] Esso's case, in brief, is that it has been operating convenience store and fast-food services since July 2001 under the brand name "Marché Express". Sixty-some stores are operated in Quebec, and one in Ottawa. Elsewhere the brand name "On the Run" is used. Although perhaps not as well-known as the *Pink Panther* or *Barbie Dolls* (two cases which deal with famous trade-marks), nevertheless through sales and advertising "Marché Express" is well-known.

[13] Mövenpick's position is that "Marché Express" is descriptive of the service Esso offers, *i.e.* "convenience stores" and so cannot be registered under the *Trade-marks Act*. It is also confusing with its own well-known "Marché" trade-mark used in association with the operation of restaurants. Finally the evidence offered by Esso as to the date the trade-mark was first used is unsatisfactory.

### **TIMELINE**

- [14] As different issues relate to different dates, I consider a basic timeline to be helpful:
- a. May 1992: the opening of the first Mövenpick "Marché" restaurant in Toronto;
  - b. 1 December 1994: filing date for registration of the "Marché" trade-mark; the services offered being the operation of restaurants;
  - c. 12 July 1996: registration date of "Marché";
  - d. 18 July 2001: the opening of the first "Marché Express" in St-Hubert, a Montréal suburb;

- e. 4 December 2001: Esso filed its application to register “Marché Express” word and design, based on use in Canada since 19 July 2001;
- f. 17 September 2003: advertisement of the application for opposition purposes in the *Trade-mark Journal*, with the right to the exclusive use of the words “Marché” and “Express” disclaimed separately apart from the trade-mark;
- g. 16 November 2004: Mövenpick filed a statement of opposition; and
- h. 3 August 2010: the Registrar’s decision dismissing the opposition.

[15] To turn now to the three grounds of opposition pursued in this appeal.

### **CLEARLY DESCRIPTIVE**

[16] A trade-mark must not clearly describe the character or quality of the services in which it is or will be used. For instance, one could not register as stand-alone trade-marks, “restaurant”, “convenience store” or “dépanneur”, as those are the very services being offered by traders in the marketplace.

[17] Section 12(1)(b) of the Act provides that a trade-mark is registrable if it is not:

<p>(b) whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their</p>	<p>b) qu’elle soit sous forme graphique, écrite ou sonore, elle donne une description claire ou donne une description fausse et trompeuse, en langue française ou anglaise, de la nature ou de la qualité des marchandises ou services en liaison avec lesquels elle est employée, ou à l’égard desquels on projette de</p>
---	---

production or of their place of origin;	l'employeur, ou des conditions de leur production, ou des personnes qui les produisent, ou du lieu d'origine de ces marchandises ou services;
---	---

[18] The Registrar held, quite correctly, that the date against which to assess whether “Marché Express” was clearly descriptive of “convenience stores” was the date on which the application was filed, 4 December 2001 (*Fiesta Barbeques Ltd v General Housewares Corp*, 2003 FC 1021, 28 CPR (4th) 60).

[19] She had a great deal of evidence before her of widespread use of the word “Marché” in association with convenience stores, or as most would say in Quebec, “dépanneurs”. Some of these marks were registered, some were not. Registrations also covered grocery stores, retail food stores and restaurant and catering services.

[20] The Registrar was of the view that the proposed mark could not be said to be clearly descriptive in the English language of convenience stores. Mövenpick focused more on French definitions. One of the definitions of “marché” in *Le Petit Robert* was “[l]ieu public de vente de biens et de services”, while “express” was defined as “qui assure un déplacement ou un service rapide.” The evidence before her established that the word “marché” was used by many other traders to describe “convenience stores” but that the combined words did not have a precise meaning with respect to the character of convenience store services. There was no evidence of use of “Marché Express” by other traders in the marketplace. She was of the view that at most the mark suggested ease of purchasing items at a convenience store which could save consumers some time. She

concluded that the mark was not clearly descriptive in either in the French or English language.

[21] In my opinion, the Registrar's decision, on the evidence before her, was reasonable.



**CLEARLY DESCRIPTIVE – NEW EVIDENCE**

[22] Both sides provided further evidence of the use of the word “marché”. It certainly has a wide use and is by no means limited to convenience stores. The word is commonly used in association with grocery stores and, indeed, market places at large, *i.e.* Marché Métro, Marché Loblaws Design, Marché Richelieu & Dessin, Place de Marché (operation of doctors’ offices, restaurant and café services, retail stores, grocery area within a retail store, etc.).

[23] Both sides produced affidavits from linguists, who were cross-examined. Their evidence relates to both the clearly descriptive and confusion aspects of the case. In my opinion, they add little to the debate and would not have persuaded the Registrar to change her mind. In this case, where the objective is to assess the meaning of the words “marché express” in the French language as perceived on first impression by the reasonable everyday user of the services, expert evidence which mainly consists of a discussion of rules of grammar, semantics and linguistic constructions regarding the interpretation of these words is unnecessary and not particularly helpful.

[24] Mövenpick also relies on the new evidence of Esso’s marketing expert, Alain D’Astous, who in cross-examination on his affidavit applied Gestalt principles to interpret the meaning of “Marché Express”. However, for the same reasons given with respect to the evidence of the linguists, I do not consider this evidence helpful.

[25] However, Mövenpick has unearthed some use of “Marché Express” by third parties and also relies upon the results of a survey carried out on behalf of Esso by Robert Klein, a market researcher. Esso produced this survey of over 2,000 consumers in Toronto, Ottawa, and Montreal to demonstrate that there was no likelihood of confusion. Mövenpick asserts that the survey is faulty in that regard, but that it does establish that “Marché Express” is clearly descriptive of the service.

[26] Mövenpick highlights the answers given by some of the survey participants who were of the view that “Marché Express” referred to a “convenience store”, “dépanneur”, “to me it is like the combination of restaurant and variety store”, “un genre de dépanneur où on trouve les produits de base, lait, pain”, “c’est un endroit où on peut se procurer rapidement les produits essentiels ou de dernières minutes, etc. Of particular interest was “à cause du nom ça dit tout”.

[27] In my view, this new evidence merely shores up the Registrar’s decision. She accepted that the word “marché” was used by other traders to describe convenience stores. However the mark applied for was not solely the word “marché” but the combined words “Marché Express”, which is not a linguistic construction which flows naturally in the French language. She was of the view that these combined words did not have a precise meaning with respect to the character of convenience store services. She concluded that the mark was merely suggestive of the result liable to be produced as opposed to being intrinsically linked to the services themselves.

[28] This finding was completely consistent with the case law. Section 12(1)(b) of the Act prohibits a mark from being clearly descriptive. (My emphasis.) The word “marché”, the French version of the English “market” has a broad meaning which, when combined with “express”, is not limited to “convenience stores” or “dépanneurs”.

[29] The word “clearly” has been held to mean “easy to understand, self-evident or plain” and specifically preserves the registrability of suggestive trade-marks. The Act only prohibits the registration of marks that are clearly descriptive. Courts have consistently recognized that a trade-mark is registrable even though it is suggestive or even descriptive. Courts also permit the skilful allusion to a characteristic of the associated wares or services (Kelly Gill & R. Scott Jolliffe, *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4th ed (Toronto: Carswell, 2002) at 5-26; *Canadian Innovatch Inc v Burnbrae Farms Ltd* (2004), 31 CPR (4th) 151 at 158, [2003] TMOB No 79 (QL); *GWG Ltd v Canada (Registrar of Trade Marks)* (1981), 55 CPR (2d) 1 at 7, 9 ACWS (2d) 68 (FC); *Thomas J Lipton Ltd v Salada Foods Ltd (No 3)*, [1980] 1 FC 740 at 743, [1979] 3 ACWS 431).

[30] Through sheer determination Mövenpick has found some possible use of “Marché Express” by third parties. However, the dates are vague and the evidence is far from satisfactory.

[31] There is, or was, a “Marché Express” dépanneur in St-Lambert, Quebec. That is the name used on a cash register receipt. However the name on the storefront is “Alimentation

Diana Dépanneur”. There is also a “Dépanneur Marché Express 2000” although it is not clear whether a store was ever operated under that name. Furthermore, there was a “Marché Express Tabagie et Dépanneur Enr.” and finally “Au Vieux Duluth Marché Express”. If “Marché Express” says it all, why use the word “dépanneur”? One could just as easily have said “Au Vieux Duluth Dépanneur”.

[32] Again, I am of the view that there is nothing in this new evidence which would have persuaded the Registrar to change her mind. If I am wrong, however, considering the evidence as a whole, I am of the view that “Marché Express” is not and was not at any time clearly descriptive of the services which were or which could have been offered at Esso gasoline stations.

### **CONFUSION**

[33] The goal of the *Trade-marks Act* is to prevent confusion in the marketplace. The Supreme Court has reminded us that “the legal purpose of trade-marks continues (in terms of s. 2 of the *Trade-marks Act*, R.S.C. 1985, c. T-13) to be their use by the owner “to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others”. It is a guarantee of origin and inferentially, an assurance to the consumer that the quality will be what he or she has come to associate with a particular trade-mark...” (*Mattel*, above, per Binnie J. at para 2).

[34] Earlier this year in *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, [2011] 2

SCR 387, in speaking for the Court, Mr. Justice Rothstein said at paragraph 1:

Trade-marks in Canada are an important tool to assist consumers and businesses. In the marketplace, a business marks its wares or services as an indication of provenance. This allows consumers to know, when they are considering a purchase, who stands behind those goods or services. In this way, trade-marks provide a “shortcut to get consumers to where they want to go”, *per* Binnie J. in *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22, [2006] 1 S.C.R. 772, at para. 21. Where the trade-marks of different businesses are similar, a consumer may be unable to discern which company stands behind the wares or services. Confusion between trade-marks impairs the objective of providing consumers with a reliable indication of the expected source of wares or services. [...]

[35] In this appeal, Mövenpick seeks a declaration that “Marché Express”, when used in

association “with fast-food services offered at gasoline stations” is confusing with its

registered trade-mark “Marché” for use in association with the “operation of restaurant”.

Note that it breaks down Esso’s application which is for “convenience store and fast-food services offered at gasoline stations”, not simply “fast-food services”. I shall return to this point.

[36] Before the Registrar, Mövenpick argued that “Marché Express” is confusing within

the meaning of both sections 12 and 16 of the Act. It is confusing within the meaning of

section 12(1)(d) with a registered trade-mark, and confusing within section 16(1)(a) and (c)

as with marks previously used in Canada by Mövenpick, and confusing with a trade-name

that had been previously used in Canada. However, the section 16 grounds were not

seriously pursued in this appeal, and lack an evidentiary basis in any event.

[37] In *Masterpiece*, Mr. Justice Rothstein described the confusion test as follows:

[40] At the outset of this confusion analysis, it is useful to bear in mind the test for confusion under the *Trade-marks Act*. In *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, 2006 SCC 23, [2006] 1 S.C.R. 824, Binnie J. restated the traditional approach, at para. 20, in the following words:

The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the [mark], at a time when he or she has no more than an imperfect recollection of the [prior] trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks.

[38] The following paragraph in *Masterpiece* served as the basis for the opening paragraph in this set of reasons:

[41] In this case, the question is whether, as a matter of first impression, the “casual consumer somewhat in a hurry” who sees the Alavida trade-mark, when that consumer has no more than an imperfect recollection of any one of the Masterpiece Inc. trade-marks or trade-name, would be likely to be confused; that is, that this consumer would be likely to think that Alavida was the same source of retirement residence services as Masterpiece Inc.

[39] Some caution must be exercised in drawing upon *Veuve Clicquot*, *Mattel* and *Masterpiece*. The first two dealt with what can only be called famous trade-marks. Neither Esso nor Mövenpick suggests that “Marché Express” and “Marché” are as famous as Veuve Clicquot champagne or Barbie Dolls. In *Masterpiece*, an expungement action, the confusion was between an unregistered trade-mark which had been in use and a mark subsequently registered on the basis of proposed use. In other words, the analysis was under section 16 of the Act, not section 12.

[40] Nevertheless, the test for confusion, no matter the form of the dispute, is set out in section 6 of the Act. It is important to bear in mind that the wares and services need not be of the same general class.

[41] The key is section 6(5) which provides:

<p>(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including</p> <p>(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;</p> <p>(b) the length of time the trade-marks or trade-names have been in use;</p> <p>(c) the nature of the wares, services or business;</p> <p>(d) the nature of the trade; and</p> <p>(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.</p>	<p>(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :</p> <p>a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;</p> <p>b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;</p> <p>c) le genre de marchandises, services ou entreprises;</p> <p>d) la nature du commerce;</p> <p>e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou dans les idées qu'ils suggèrent.</p>
---	---

[42] The five sub-sections are not exhaustive of surrounding circumstances.

[43] The Registrar was obviously very cognizant of the test for confusion. She found that Mövenpick's mark possessed some measure of inherent distinctiveness when used in association with "operation of restaurant". She was of the view that "Marché Express" possessed less inherent distinctiveness as "Marché" was highly suggestive of the services. She went on, however, to say that the extent to which the marks have become known may increase their distinctiveness. Based on Esso's evidence, including sales and advertising figures, she was satisfied that "Marché Express" had become known to a certain extent.

[44] On the other hand, she found the evidence of Mövenpick's corporate witness, Robert Staub, to be vague and tenuous. There was ambiguity in that sales records related to five Mövenpick trade-marks and it was impossible to determine which were actually being used. She concluded that she was unable to determine the extent to which the "Marché" mark had become known in Canada.

[45] As to the length of time each trade-mark had been in use, she was satisfied with Esso's evidence of use since 2001. Although Mövenpick's registration was based on use since May 1992, in the absence of evidence the mark was actually used, the claim date of first registration did not give rise to an inference of significant continuing use. She also made mention of the fact that Mövenpick's licensee had filed for creditor protection.



[46] Turning to sections 6(5) (c) and (d), the nature of the services or business, and the nature of the trade, she relied on cases prior to *Masterpiece*, which also held that it is the use proposed in the application and registration that govern, and not actual use. She satisfied paragraph 56 of *Masterpiece* which states that “[w]here a court is called upon to decide if there is a likelihood of confusion between that registered trade-mark and any registered or previously used unregistered trade-marks, the analysis should address the proposed trade-mark for which the registration was ultimately obtained.” However, as per paragraph 59 of *Masterpiece*, “[a]ctual use is not irrelevant, but it should not be considered to the exclusion of potential uses within the registration.”

[47] The evidence before her established that the “Marché Express” convenience stores at gasoline stations sold a variety of items such as cigarettes, candy bars and salty snacks, and offered fast-food items such as sandwiches, donuts, coffee and soft drinks. She thought it unlikely that the parties’ trades would overlap because “as I understand it, the Applicant’s services are not fast-food restaurant services, but rather convenience stores at gasoline stations where limited food items are sold.” However, Mövenpick’s statement of service did not include any limitation and nothing would prevent it from operating fast-food restaurants at gasoline stations. In such case, there could be a potential overlap between Esso’s fast-food services and Mövenpick’s restaurant services.

[48] With respect to section 6(5)(e), she found there was a similarity in appearance in that both shared the common component “Marché”, but that the word “Express” differentiated the marks when sounded and in the ideas suggested by them.

[49] A surrounding circumstance she considered was the state of the Register and evidence of examples of businesses using the word “Marché” alone or as a component.

[50] She concluded that the term “Marché” was commonly used in the food trade industry signifying that consumers were accustomed to seeing the word in the marketplace. She said: “Where a trader uses as its trade-mark an ordinary word which is common to the trade, it cannot expect to hold a wide ambit of protection. In such cases relatively small differences between the marks will suffice to distinguish them.” Therefore, she dismissed the opposition based on section 12(1)(d) of the Act.

[51] Again, based on the evidence before her, I am of the view that the Registrar understood the law and applied it to the facts of the case. The issue is to be determined as of the date of her disposition (*Tradition Fine Foods Ltd v Groupe Tradition'l Inc*, 2006 FC 858 at para 15, 51 CPR (4th) 342; *Park Avenue Furniture Corp v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 at 422, 130 NR 223 (FCA)). The fact that “Marché” is commonly used in the food industry causes customers to pay more attention to other features of the mark (*Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 at 359-60, 145 NR 131 (FCA)).

### **CONFUSION – NEW EVIDENCE**

[52] A good deal of the new evidence was more of the same, *i.e.* review of telephone directories, trade-mark registrations and in-the-field photographs of various establishments. There is nothing in that evidence which would, in my opinion, have affected the Registrar's opinion. The same holds true with respect to the linguists. They could hardly be considered casual consumers somewhat in a hurry. Their evidence is not helpful to this Court and would not have been helpful to the Registrar. Although Mövenpick relied on its own marketing expert in its written submissions, it stated during the hearing that it was not relying thereon as regards confusion.

[53] Mövenpick called Afzal Hamid, Mövenpick's current controller, and previously the director of internal audit at Mövenpick's Canadian licensee, Richtree Markets Inc. He dealt with the Registrar's criticism of the evidence of Robert Staub by attempting to break down financial records among the five Mövenpick trade-marks which were before her, and by providing some evidence of the use of the "Marché" trade-mark on a stand-alone basis, as opposed to other Mövenpick trade-marks such as "Restaurant Marché".

[54] Had this evidence been before her, the Registrar could not have said, as she did, "[i]t follows that in the absence of supporting documentary evidence of use of the Opponent's mark, I am unable to determine the extent to which the Opponent's relevant "Marché" mark has become known in Canada." To that extent, I must assess the new evidence.

[55] Esso provided evidence from Ryan Levins, convenience retailing manager of Imperial Oil, a licensee of Exxon Mobil. Although the thrust was to shore up earlier

evidence that the marks had been used at Esso gasoline stations since 19 July 2001, he also provided facts and figures as to the extent to which “Marché Express” had become known, primarily in the Quebec market. Mr. Hamid’s evidence cannot be considered without also taking into account Mr. Levins’.

[56] As mentioned earlier, Esso also provided new evidence by Robert Klein, a market researcher, in the form of a survey of over 2,000 consumers in Toronto, Ottawa, and Montreal. The results indicate that there is no likelihood of confusion between Esso’s “Marché Express” and Mövenpick’s “Marché”. Mövenpick has not moved to have the affidavit struck because it relies upon it to support its “clearly descriptive of the services” submissions, but criticizes the methodology when it comes to its value to the Court in determining the likelihood of confusion. I will discuss Mr. Klein’s evidence later on.

[57] As stated in *Masterpiece*, in analyzing the various factors in section 6(5) of the Act in determining the likelihood of confusion, it is often better to first consider section 6(5)(e), the degree of resemblance. I see nothing in the new evidence which would have affected the Registrar’s opinion. Although the first word in a trade-mark may well be more important than others, in this case “Marché” is a weak mark because of its broad-based use, and therefore consumers are more likely to pick up on slight differences. In this case, as stated by the Registrar, “[t]he word EXPRESS differentiates the marks when sounded and the idea suggested by them.”

[58] Turning now to section 6(5)(a), there is no new evidence with respect to the inherent distinctiveness of the trade-marks. As to the extent they have become known, based on the totality of the evidence, I can only conclude that Mövenpick's "Marché" has become known to a certain extent. I am of the view, however, that "Marché Express" is much better known. There have only been a handful of "Marché" restaurants in operation sporadically. There are far more "Marché Express" stores, the sales therein are far greater and they have been heavily advertised. One need only mention the "Marché Express" signage on the hockey boards at the Bell Centre in Montreal, from where Montreal Canadiens hockey games are telecast. Again, I do not think the new evidence would have affected the Registrar's decision, in that circumstance, or with respect to the length of time the trade-marks have been in use. While Mr. Hamid may well have provided better evidence as to the length of time the "Marché" trade-mark has been in use in Canada, I find the evidence insufficient.

[59] Like the Registrar, I will consider the nature of the wares, services or business, and the nature of the trade, together.

[60] Mövenpick acknowledges that at the present time there is no actual confusion between the marks. While the test is the likelihood of confusion rather than actual confusion, this is a factor to be considered (*Mattel* at para 89; *Masterpiece* at para 59).

[61] Mövenpick submits that the services actually offered at the "Marché Express" stores are convenience store services, not fast-food services. There are no watertight compartments differentiating convenience stores from fast-food services, from fast-food restaurants, from

restaurants. Basing itself on *Masterpiece*, which requires consideration of the proposed use of the trade-mark according to its terms, rather than by its actual use, Esso could easily open up fast-food restaurants, just as Mövenpick could open fast-food restaurants at gasoline stations.

[62] There is a registered trade-mark which could be invoked to support the proposition that the fast-food services offered at the “Marché Express” stores fall within the rubric of convenience stores, so that the reference to such services in the application is mere surplusage. The registration for “Marché Mainway & Design”, owned by Irving Oil Marketing G.P., describes the services on offer as including gas bar, carwash, petroleum products, “retail convenience store services” and “retail convenience store services, namely, fast-food services and take-out food services.” In its submissions before the Registrar, Mövenpick said that the nature of the services offered by the parties overlap “to the extent that [Esso] has not excluded “restaurant services” from its statement of services...” It suggested before me that the potential confusion could be avoided by striking “and fast-food” from the description of services offered.

[63] I disagree. A trade-mark does not operate in restraint of trade. The law does not require a party to act within the four corners of the services covered by its trade-mark. In addition, the Registrar was alive and sensitive to potential overlapping. Nevertheless, she did not cut down the proposed services on the basis of confusion. Both the *Mattel* and *Masterpiece* cases referred to the earlier decision of the Supreme Court in *Benson & Hedges (Canada) Ltd v St. Regis Tobacco Corp*, [1969] SCR 192, where the Court held at page 200:

In my view the Registrar's decision on the question of whether or not a trade mark is confusing should be given great weight and the conclusion of an official whose daily task involves the reaching of conclusions on this and kindred matters under the Act should not be set aside lightly [...]

[64] There is no precise template to be followed in applying for registration of a trade-mark. The applicant has considerable literary freedom. Esso, like Irving, could have chosen to define convenience store services as including fast-food services. It did not and was not taken to task by the Registrar, who has a wealth of experience. I see no reason why I should act any differently.

[65] In my opinion, the Klein survey, whether or not the methodology used was reasonable, would not have affected the Registrar's decision. It showed insignificant confusion which, if relevant, could only be used to bolster the Registrar's opinion. What it shows, together with evidence filed by Esso before the Registrar, and the evidence filed on behalf of Mövenpick, is that it is difficult, if not impossible, for a consumer to see "Marché Express" signage without at the same time seeing an Esso sign, and for a patron at a Mövenpick restaurant to see "Marché" without at the same time seeing "Mövenpick".

### **SURROUNDING CIRCUMSTANCES**

[66] The Registrar had considered the state of the Register. As mentioned above, the new evidence is simply more of the same and does not change anything.

[67] Another circumstance in the new evidence, which simply bolsters the Registrar's decision, is that investigators hired by Mövenpick have stated that within "Marché Express dépanneurs" there may also be the iconic "Tim Hortons". For instance Yves Lefebvre had visited four "Marché Express dépanneurs" which he calls, as I would, "Esso/Marché Express dépanneurs". He recalled that each location had a Tim Hortons counter which was separate both in name and in the uniforms worn by the staff. One could not pay for merchandise from the "Marché Express dépanneur" at the the Tim Hortons counter, or vice versa. This fact is useful in determining the probable type of business or trade intended by Esso rather than all possible trades that might be encompassed (*McDonald's Corp v Coffee Hut Stores Ltd* (1996), 68 CPR (3d) 168, 199 NR 106 (FCA)). If Mövenpick opened up Marché donut and bake shops at gasoline stations, it would, at least in some locales, be competing with Tim Hortons, not Marché Express.

[68] Another related circumstance, while not conclusive, is that the "Marché Express" services are provided in association with gasoline stations, while Mövenpick restaurants are downtown establishments (*Hermes S.A. v Fletcher Golf Enterprises Ltd* (1984), 78 CPR (2d) 134 at page 146, 24 ACWS (2d) 396 (FC)). Commercial context is a relevant factor.

[69] To conclude on this "confusion" analysis, the only new evidence which is material is that of Mr. Hamid who has provided some evidence of use of the "Marché" trade-mark in Canada. However, when weighed against the Esso evidence, the Registrar would not have been persuaded to change her mind. However, if I am wrong on that point, in assessing all the evidence pertaining to surrounding circumstances, including those specifically



enumerated in section 6(5) of the Act, I find there is no likelihood of confusion, in that the mythical consumer would not likely think that “Marché Express” and “Marché” services came from the same source.

### **DATE OF FIRST USE**

[70] Section 30(b) of the Act requires an application to state the date from which the trade-mark was used in Canada. The only evidence before the Registrar was an affidavit from Barry Murphy, Mr. Levins’ predecessor as Imperial oil’s convenience retailing manager. He was not personally present at the first “Marché Express” when it opened on 18 July 2001. Rather, he relied on business information to state the date of first use, the number of “Marché Express” stores in Quebec at the date of his affidavit, total sales, and details of moneys spent in advertising.

[71] Mövenpick led no evidence of its own.

[72] The Registrar was of the view that Mövenpick was entitled to rely upon Esso’s own evidence, but it had to show that that evidence was clearly inconsistent with the claim as set forth in the application (*Labatt Brewing Co v Molson Breweries, a Partnership* (1996), 68 CPR (3d) 216, 113 FTR 39 (FC); *York Barbell Holdings Ltd v ICON Health & Fitness Inc*, 13 CPR (4th) 156, [2001] TMOB No 55 (QL)).

[73] She was satisfied that Mövenpick did not raise any doubt about the veracity of Esso's application.

**DATE OF FIRST USE – NEW EVIDENCE**

[74] As mentioned above, Esso filed an affidavit from Ryan Levins, who had succeeded Mr. Murphy as convenience retailing manager at Imperial Oil. Unlike Mr. Murphy, he was cross-examined. Again, Mövenpick did not lead evidence of its own.

[75] I am once more of the view that the new evidence on this point merely shores up what was before the Registrar when she made her reasonable decision. If there is any doubt, however, Mr. Levins produced a milestone report showing that the store in St-Hubert had opened 18 July 2001, sales records and Esso's annual report for 2001, which specifically refers to the opening of "Marché Express" and "On the Run" company-owned stores. Mövenpick has not succeeded in raising doubt about the veracity of Esso's claimed date of first use.

[76] Mövenpick argues that the Murphy and Levins affidavits are in violation of Rule 81 of the *Federal Court Rules*, and cannot be acted upon by this Court since it is unclear which facts are based on personal knowledge and which ones are gathered from business records. Esso, on the other hand, submits that its evidence is entirely consistent with its claim that "Marché Express" has been used in Canada since 19 July 2001, and its corporate records

constitute unchallenged business record evidence, admissible under s. 30 of the *Canada Evidence Act*.

[77] I am not convinced by Mövenpick's argument. This Court is now invited to step into the Registrar's shoes, and the rules of evidence must therefore reflect those to which the Trade-marks Opposition Board must adhere. To borrow the words of Mr. Justice Décary in *Austin Nichols & Co v Cinnabon Inc*, [1998] 4 FC 569, [1998] FCJ No 1352 (QL):

13 The role of the court sitting in appeal of a decision of the Registrar is made abundantly clear by the last words of subsection 56(5). In giving the Court the same discretion as that "vested in the Registrar", Parliament has recognized that the Court sitting in appeal is expected to be able to decide the issues as if they were tried for the first time before the Court. This, in my view, suggests that a registered owner has in appeal the same opportunity to file evidence he had before the Registrar.

[78] Canadian courts have held that administrative tribunals are not restricted by the rules of evidence applicable to court proceedings. As explained by Mr. Justice Sopinka in *Prasad v Canada (Minister of Employment & Immigration)*, [1989] 1 SCR 560, at paragraph 46: "As a general rule, these tribunals are considered to be masters in their own house. In the absence of specific rules laid down by statute or regulation, they control their own procedures subject to the proviso that they comply with the rules of fairness and, where they exercise judicial or quasi-judicial functions, the rules of natural justice."

[79] The Federal Court of Appeal has also touched upon this issue in *Canadian Recording Industry Assn. v Society of Composers, Authors & Music Publishers of Canada*, 2010 FCA 322, 413 NR 176. Mr. Justice Pelletier wrote at paragraph 20:

20 In any event, the Board is not a court; it is an administrative tribunal. While many tribunals have specific exemptions from the obligation to comply with the rules of evidence, there is authority that even in the absence of such a provision, they are not bound, for example, to comply with the rule against hearsay evidence. [...]

See also the Alberta Court of Appeal's decision in *Alberta (Workers' Compensation Board) v Alberta (Workers' Compensation Board Appeals Commission)*, 2005 ABCA 276, [2005] AJ No 1012 (QL) at paragraphs 63 and 64.

[80] In the circumstances, it was not necessary for Esso to give a notice of intention to use business records as required by the *Canada Evidence Act*. While the Murphy affidavit contained hearsay, the registrar was satisfied it had probative value, and I agree with her.

[81] Section 56(5) of the *Trade-marks Act*, which allows parties to adduce new evidence, provides that the Federal Court may exercise any discretion vested in the Registrar. Thus, if it is necessary to consider the Levins affidavit on this point at all, in my discretion I accept it and am satisfied that Esso has used "Marché Express" in association with "convenience store and fast-food services offered at gasoline stations."

## **COSTS**

[82] Costs are in favour of Esso. If the parties cannot reach an agreement, they shall so inform the Federal Court Registry within 30 days hereof. In such case, a conference call will be arranged to work out a protocol.

[83] As the Attorney General, of behalf of the Registrar, did not participate in these appeals, he shall neither be burdened with nor be awarded costs.

[84] A copy of these reasons for judgments shall be placed in both court docket numbers T-1640-10 and T-1641-10.

“Sean Harrington”

---

Judge

Vancouver, British Columbia  
December 1, 2011

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKETS:** T-1640-10  
T-1641-10

**STYLE OF CAUSE:** MÖVENPICK HOLDING AG v  
EXXON MOBIL CORPORATION ET AL

**PLACE OF HEARING:** OTTAWA, ONTARIO

**DATES OF HEARING:** NOVEMBER 1-2, 2011

**REASONS FOR JUDGMENTS:** HARRINGTON J.

**DATED:** DECEMBER 1, 2011

**APPEARANCES:**

Mr. Bayo Odutola FOR THE APPLICANT  
Ms. Hala Tabl

Mr. Christopher Van Barr FOR THE RESPONDENT,  
Mr. Michael O'Neil EXXON MOBIL CORPORATION  
Mr. Michel A. Chartrand

None FOR THE RESPONDENT,  
ATTORNEY GENERAL

**SOLICITORS OF RECORD:**

OLLIP Professional Corporation FOR THE APPLICANT  
Barristers & Solicitors  
Ottawa, Ontario

Gowlings Lafleur Henderson LLP FOR THE RESPONDENT,  
Barristers & Solicitors EXXON MOBIL CORPORATION  
Ottawa, Ontario

None FOR THE RESPONDENT,  
ATTORNEY GENERAL