

Federal Court



Cour fédérale

Date: 20130426

**Dockets: T-1621-12
T-1622-12**

Citation: 2013 FC 424

Toronto, Ontario, April 26, 2013

PRESENT: The Honourable Mr. Justice Campbell

BETWEEN:

BACKRACK INC.

Applicant

and

STK, LLC

Respondent

REASONS FOR ORDER AND ORDER

I. Introduction

[1] The Applicant is a manufacturer of truck accessories in Canada, and the Respondent is a competitive manufacturer in the United States. Under appeal pursuant to subsection 56(1) of the *Trade-marks Act*, RSC 1985, c T-13 (the *Act*) is a decision of the Registrar of Trade-marks' delegate (the Registrar) dated May 3, 2012 in which, as a result of the Respondent's opposition, the registration of the following two separate marks filed by the Applicant were rejected: the trade-mark BACKRACK associated with the wares (Mark #1) and the trade-mark BACKRACK and Design

based on use in association with the wares (Mark #2). In the decision under appeal the Registrar found that “there was no significant difference between the two opposition proceedings” and, thus, the fate of the application with respect to Mark #1 “will also be the fate” of the application with respect to Mark #2 (Decision, para 9).

[2] Further, while the Registrar’s rejection of the two applications for registration are presently being appealed in separate Applications, because of the inter-relationship of the rejections as found by the Registrar, both Applications will be concluded with this single set of reasons and orders based thereon.

[3] The Respondent has not participated in the present appeals. As a result, the Applicant’s arguments on appeal are unanswered.

II. The Registration Proceedings

[4] The application for registration of Mark #1, being Canadian Trade-Mark Application No. 1,380,622, was filed on January 24, 2008 for the trade-mark BACKRACK based on use in Canada since at least 1989 in association with the following wares and services:

Pick-up truck racks, namely, headache racks designed to protect the cab and mount a variety of accessories, namely, light, antenna and toolbox brackets.

Distribution services in the filed of automotive parts.

[5] The application for registration of Mark #2, being Canadian Trade-Mark Application 1,388,234, was filed on February 13, 2008 for the trade-mark BACKRACK and Design based on use of the trade-mark in Canada since at least February 1994 in association with the same wares and

services as stated for Mark #1. Mark #2 consists of a drawing and the following description: “The mark consists of the words BACK RACK as applied to a pick-up truck rack as shown in the drawing.”

III. The Challenge to the Registrar’s Decision

[6] With respect to the Applicant’s services, the Registrar allowed the registration of both Marks. With respect to the Applicant’s wares, the Registrar rejected the Respondent’s opposition on all but two grounds:

- i. Each Mark was “clearly descriptive” with respect to wares pursuant to s. 12(1)(b) of the *Act*; and
- ii. Each Mark was not distinctive of the Applicant’s wares pursuant to s. 2 of the *Act*.

In the present Applications the Applicant argues that the Registrar’s findings with respect to both grounds are incorrect or otherwise unreasonable.

A. The Registrar’s Finding Pursuant to s. 12(1)(b) of the Act

[7] The Registrar’s line of reasoning in reaching the finding that Mark #1 is clearly descriptive with respect to wares is found in paragraphs 13 to 15, and 22 to 27 of the decision:

The applied for wares in the present case are comprised of "pick-up truck racks, namely, headache racks designed to protect the cab and mount a variety of accessories, namely, light, antenna and toolbox brackets." The evidence shows that a headache rack is an accessory for pickup trucks that protects the rear window of the cab. The headache rack is located on the front of the truck bed behind the cab. It can also be used to secure cargo or accessories thereto.

The issue as to whether the Mark is clearly descriptive or deceptively misdescriptive [sic] of the character or quality of the wares must be considered from the point of view of the average purchaser of the

wares. Further, "character" means a feature, trait or characteristic of the wares and "clearly" means "easy to understand, self-evident or plain" [see *Drackett Co of Canada Ltd v American Home Products Corp* (1968), 55 CPR 29 (Ex Ct) at 34]. The Mark must not be dissected into its component elements and carefully analyzed but must be considered in its entirety as a matter of immediate impression [see *Wool Bureau of Canada Ltd v Registrar of Trade Marks* (1978), 40 CPR (2d) 25 (FCTD) at 27-8; *Atlantic Promotions Inc v Registrar of Trade Marks* (1984), 2 CPR (3d) 183 (FCTD) at 186]. Finally, the purpose of the prohibition in section 12(1)(b) is to prevent any single trader from monopolizing a term that is clearly descriptive or common to the trade, thereby placing legitimate traders at a disadvantage [*Canadian Parking Equipment Ltd v Canada (Registrar of Trade-marks)* (1990), 34 CPR (3d) 154 (FCTD) at para. 15].

It is also important to note that the fact that a particular combination of words does not appear in any dictionary does not prevent a trade-mark from being found to be clearly descriptive. If each portion of a mark has a well-known meaning in English or French, it may be that the resultant combination would be contrary to section 12(1)(b) of the Act [see *Oshawa Group Ltd v Canada (Registrar of Trade-Marks)* (1980), 46 CPR (2d) 145 (FCTD) at 149].

[...]

The question therefore remains whether, on first impression, BACKRACK describes, in a manner that is easy to understand, a certain characteristic of the Applicant's wares.

I agree with the Applicant that the meaning of the term BACKRACK on its own, is not self-evident. Further, there is no evidence of any dictionary definition for the term "backrack" as one word.

The issue, however, is whether the Mark is clearly descriptive of the character or quality of the applied for wares. The applied for wares are pick-up track racks, namely headache racks designed to protect the cab and mount a variety of accessories, namely, light, antenna and toolbox brackets. The evidence shows that the headache racks are designed to be installed at the back of the cab of the pick-up truck.

In view that the applied for wares are identified as a type of rack, the word "rack" is clearly descriptive of the applied for wares. The question therefore becomes whether the addition of the word "back" renders the Mark as a whole not clearly descriptive. One must ask the question "what as a matter of first impression does BACKRACK tell the relevant consumer about the Applicant's headache racks"? Does

the term "BACKRACK" as a whole clearly describe a feature or characteristic material to the wares?

The evidence shows that the Applicant's headache racks are designed to be installed at the back of the cab of the pick-up truck. In fact, the evidence of Mr. Jayne is that the Applicant was compelled by law in February 1994 to implement a design change to its headache rack to clear the area in the rear window where a new brake light was now required to be placed on pickup trucks. As a result, all BACKRACK headache racks have since split the coined term BACKRACK into two portions in order to provide the legally mandated space for the brake light as shown in the BACKRACK and Design mark (...).

The location of the wares on the back of the cab of a pick-up truck is therefore critical to the function of the wares. As a result, I find that the term BACKRACK is a self-evident description of a feature, trait or characteristic of the Applicant's headache racks (i.e. it clearly describes the Applicant's rack as one for the back of the cab of one's pick-up truck). I also find that the term BACKRACK and Design, when sounded, is clearly descriptive of a characteristic of the Applicant's headache racks for similar reasons. The section 12(1)(b) ground of opposition is therefore successful with respect to the wares for both of the applied for marks.

[8] In my opinion, the Registrar was correct in law that in considering whether Mark #1 is descriptive, the Mark must not be dissected into its component elements and carefully analyzed, but must be considered in its entirety as a matter of immediate impression. Further, I find no error in the Registrar's key finding of fact that the meaning of the term BACKRACK, on its own, is not self-evident. However, in my opinion the Registrar's reasons cited above clearly reveal a level of dissection of Mark #1 into its component elements warned against by the Registrar in the very same process of analysis. It is well accepted in law that a s. 12(1)(b) analysis requires that a mark be considered in its entirety as a matter of immediate impression from the position of everyday users of the wares. In my view, the Registrar's analysis went beyond this level of analysis, thus rendering the s. 12(1)(b) finding unreasonable.

B. The Registrar's Finding Pursuant to s. 2 of the Act

[9] At paragraph 50 of the Decision, the Registrar concluded as follows:

A trade-mark that is clearly descriptive of its associated wares is *prima facie* not distinctive. Hence, based on my finding under section 12(1)(b) ground of opposition, the distinctiveness ground of opposition also succeeds with respect to the applied for wares for both of the applied for marks.

[Emphasis added]

The Applicant characterizes the Registrar's finding as a misstatement of the law because s. 12(2) of the *Act* makes it clear that a trade-mark that is not registrable by reason of s. 12(1)(b) is registrable if it has been so used in Canada by an applicant so as to become distinctive at the date of filing of an application for its registration. In my opinion, the Registrar's finding does not correctly reflect the provisions of the *Act*.

[10] In addition, even if paragraph 50 of the Decision is correct in law, the Registrar's finding that the distinctiveness ground of opposition succeeds is not based on an analysis of the evidence. In the decision rendered, the Registrar did not address the Applicant's evidence regarding the extensive and exclusive use of Mark #1 across Canada since at least 1989 and Mark #2 since at least 1994. Thus, because the Registrar did not consider the evidence of acquired distinctiveness submitted by the Applicant, I find that the conclusion on distinctiveness is unreasonable.

C. Conclusion

[11] As a result, I grant the appeals with respect the Registrar's findings on the two impugned grounds of opposition. However, I accept the Registrar's remaining findings not challenged in the present appeals.

IV. De novo Analysis

[12] Because I have found that the Registrar's decision is unreasonable, on a *de novo* consideration of the evidence, I find that the Applicant is fully successful on the present appeals.

[13] In my opinion, Marks #1 and #2 are not descriptive of the Applicant's wares because the term BACKRACK, on its own, as a matter of first impression, is not self-evident and is amenable to a number of other meanings beyond pick-up truck racks.

[14] I further find that the Marks #1 and #2 have acquired distinctiveness in Canada as of the relevant filing dates in association with the Applicant's wares on the basis of the evidence supplied by the Applicant as described in paragraph 10 above.

[15] As a result, I find that Mark #1 and Mark #2 are registrable.

ORDER

THIS COURT ORDERS that:

1. The appeals are allowed;
2. Canadian Trade-Mark Application No. 1,380,622 is approved for registration;
3. Canadian Trade-Mark Application No. 1,388,234 is approved for registration; and
4. I make no order as to costs.

“Douglas R. Campbell”

Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKETS: T-1621-12
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STYLE OF CAUSE: BACKRACK INC. v STK, LLC

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APPEARANCES:

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FOR THE APPLICANT

No appearance

FOR THE RESPONDENT

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