FEDERAL COURT OF APPEAL CONFIRMS ABSENCE OF INFRINGEMENT IN WOOD "CONSERVATOR" CASE

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A recent decision by Canada's Federal Court of Appeal has confirmed an earlier decision by the Federal Court that had dismissed a trade-mark infringement action commenced in 2002 by a plaintiff who was the registered owner of a design trade-mark that included the word "CONSERVATOR", with the last "o" of the word being replaced by the design of a hard hat or construction helmet (*Osmose-Pentox Inc. v. Société Laurentides Inc.*, 2014 CAF 146 (F.C.A.), Mainville, Scott and Boivin, JJ.A., June 3, 2014).

On June 11, 2013, Justice Martineau of Canada's Federal Court dismissed a trade-mark infringement action that was commenced more than a decade earlier by Osmose-Pentox Inc. (hereafter the "Plaintiff" or "Osmose-Pentox"), a small family-run Montreal-based business that had developed over the years a particular expertise in wood preservatives and other coatings. Osmose-Pentox was the registered owner of a trade-mark composed of the word "CONSERVATOR", with the last "o" of the word being replaced by the representation of a hard hat or construction helmet (hereafter the "*conservator* design-mark"). Since 1996, Osmose-Pentox commercialized coatings for the protection of wood under the trade-mark PENTOX along with the *conservator* design-mark. These products did not contain any pesticide and could be painted over.

For its part, Société Laurentides Inc. (hereafter the "Defendant" or "Laurentides") was the manufacturer of various products, including wood coatings and varnishes for wood that it sold under the trade-mark PermaTec. Starting in 1999, Laurentides began the sale of a new product, a primer-sealer for wood. The labels used to sell this product showed the words "*WOOD* CONSERVATOR*"* (in English) and "CONSERVATEUR *POUR BOIS*" (in French).

In 2002, the Plaintiff commenced trade-mark infringement proceedings against the Defendant. It alleged that the Defendant's use of "*WOOD* CONSERVATOR" was creating confusion in the marketplace with its registered *conservator* design-mark.

In 2013, the Federal Court dismissed the Plaintiff's action, concluding that the Defendant did not use the words "CONSERVATOR" et "CONSERVATEUR" as trade-marks but rather as descriptive words to highlight its products' characteristics. Moreover, even if the Defendant had carried out any trade-mark use, the Federal Court concluded that confusion was unlikely.

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The Plaintiff appealed the Federal Court's decision before the Federal Court of Appeal and argued that it had made out its case for infringement and that the trial judge had erred in his interpretation of the use carried out by the Defendant. According to its argument, it was therefore crucial to examine the use actually carried out by the Defendant.

The Federal Court of Appeal noted however that this case could not be decided without examination of the monopolistic rights granted by the Plaintiff's registration. While the Plaintiff enjoyed the exclusive use of its *conservator* design-mark, the advantage conferred by Canada's *Trade-marks Act*, R.S.C. 1985, c. T-13 (hereafter the "Act") only protected the representation of the word CONSERVATOR where the last "o" is replaced by a hard hat or construction helmet. The protection however did not extend to other words suggested by the *conservator* design-mark. In other words, the Federal Court of Appeal found that the distinctive element of the Plaintiff's trade-mark was, in fact, the construction helmet. Without this design component, the Court concluded that it would be difficult to conceive of any protection for this expression under the Act.

Accordingly, the Federal Court of Appeal agreed with the assessment of the evidence that was carried out by the trial judge who had concluded that the expressions at issue, namely "*WOOD* CONSERVATOR" and CONSERVATEUR *POUR BOIS*", were not used as trade-marks but rather as descriptive words to highlight a particular aspect of the Defendant's product.

The Plaintiff also asked the Court to give a fresh look to its argument based on subparagraph 20(1)(b)(ii) of the Act. This provision states that no registration of a trade-mark prevents a person from making any *bona fide* use, other than as a trade-mark, of any accurate description of the character or quality of his/her wares or services, in such a manner as is not likely to have the effect of depreciating the value of the goodwill attaching to the trade-mark. Here, the Plaintiff argued that the words CONSERVATOR and CONSERVATEUR were not an "accurate description" of the Defendant's products but were rather at most suggestive of one of the product's characteristics. For example, the Plaintiff drew the Court's attention to various dictionary definitions that defined "conservator" as a type of person and not a type of sealer for wood.

While the Court was invited to examine some of the evidence that, apparently, favoured the Plaintiff's argument, it also took note of other elements in evidence that confirmed the trial judge's findings. For example, before the trial judge, evidence was presented that on the websites of such different organizations as Environment Canada (that provides updates on weather conditions) and the World Intellectual Property Organization (the agency of the United Nations that provides a forum for the debate of IP issues), one could find the presence of the word "conservateur" in reference to wood protectors.

According to the Court, the trial judge could conclude as he did that the Defendant's use of the contested terms did not violate any provision of the Act, including subparagraph 20(1)(b)(ii).

While this could have ended the debate, the Court also examined the confusion argument raised by the Plaintiff (presuming the contested words were being used as trade-marks by the Defendant). Here again, the Court sided with the Defendant, stating that the case for

confusion had not been made out. Moreover, the presence of the hard hat or construction helmet in the Plaintiff's mark was an important factor against a finding of confusion as it served ultimately to distinguish the Plaintiff's wares in the marketplace.

While a plaintiff's persistence in defending its mark is certainly noteworthy, this example illustrates, again, that a weak mark can only be used as a sword against infringers in very limited cases. When a third party uses an owner's registered mark in a descriptive sense, and without its most distinctive element, the case for infringement will be very difficult, if not impossible, to make out, as this particular set of circumstances demonstrates.

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