

Court of King's Bench of Alberta

Citation: Attic Rain Specialists Ltd v No Payne Roofing Inc, 2024 ABKB 166

Date: 20240321
Docket: 2401 02645
Registry: Calgary

Between:

Attic Rain Specialists Ltd.

Applicant

- and -

No Payne Roofing Inc.

Respondent

**Memorandum of Decision
of the
Honourable Justice J.T. Eamon**

Introduction

[1] When frost or ice inside an attic melts faster than the attic can vent moisture, the building may experience attic rain and resulting moisture damage. There are contractors in the market who can address and remediate attic rain issues. The Applicant and Respondent are two of them.

[2] The Applicant says the Respondent is passing its services off as the Applicant's services and sought a permanent injunction in routine morning civil chambers preventing it from:

“... using the name “Attic Rain Specialists”, or the trademark belonging to Attic Rain Specialists Ltd., or any similar variation of trade names, designs, trademarks, or combinations thereof in its marketing or promotional materials.”

[3] It further sought to prohibit the Respondent from using the same things on its website, and an order forcing the Respondent to provide to the Applicant any physical marketing or promotional materials in its possession that reproduce any of those things.

Evidence

[4] The Applicant’s evidence consists of a two page affidavit and a few exhibits. The deponent says:

- (a) The Applicant and Respondent companies are in direct competition and offer similar services in and around Calgary.
- (b) The Applicant was incorporated on March 22, 2022.
- (c) The Applicant’s principals carried on business in Calgary, Edmonton and elsewhere in Alberta prior to that time under the name Attic Rain Specialists.
- (d) The Applicant and its predecessor principals have continuously carried on their business since March 2021, and provide or install attic ventilation, various building venting, removal and installation of insulation, and improvement of building vapour barriers.
- (e) “Both before and since incorporation”, the Applicant developed a reputation in Alberta, particularly Calgary, for dealing with attic rain problems.
- (f) For nearly two years the Applicant, and its principals for the preceding one year, “have built up goodwill and brand name recognition in the name ‘Attic Rain Specialists’ ”.
- (g) The Applicant’s principals “sought to register” a trademark for the name “Attic Rain Specialists”, which they say was received and formalized by the Registrar. Appended as Exhibit “B” to the supporting affidavit a copy of the filing notice. The notice states the filing is for “Attic Rain Specialists Design” and there is a logo incorporating the words “Attic Rain Specialists” reproduced on the registration form. The filing date was April 18, 2023.
- (h) The Applicant became aware on January 8, 2024 that the Respondent has been marketing itself using the phrase “Attic Rain Specialists” in promotional materials and on its website.
- (i) The Respondent’s activity caused and causes confusion in the minds of clients and potential clients. This activity further causes and will continue to cause confusion between the two companies and will divert individuals looking for the Applicant to the Respondent.
- (j) The exhibits contain what appears to be a screen shot of a mobile phone google search of “attic rain specialists” that generated a “sponsored” hit for No Payne Roofing’s website. It appears from the bottom of the picture that there was

another sponsored hit, but the rest of the search has not been reproduced. The date of the search and the entirety of the search results are not included.

- (k) The Applicant exhibited extracts the Respondent appears to have posted shortly after January 7, 2024 on its social media page indicating that the Respondent participates in a “Google AdWords Campaign” where googling “attic rain” includes the Respondent in search results, and that the Respondent is aware that using the phrase “attic rain specialist” or “attic rain” can drive google internet searches to its website.

[5] The Respondent did not file evidence or cross-examine the Applicant’s deponent. The Applicant sought a final order in morning chambers and did not seek to convert its proceeding to one where the Applicant could conduct pretrial questioning of the Respondent.

[6] There are significant gaps in the Applicant’s evidence. The Applicant’s affidavit does not provide factual information pertaining to:

- (a) Degree of recognition of the name within the relevant market (for example, contractors, subtrades or consumers).
- (b) Volume of sales and depth of market penetration of products associated with the claimant's name.
- (c) Extent and duration of advertising and publicity accorded the name.
- (d) Degree of inherent or acquired distinctiveness.
- (e) Whether products associated with the Applicant’s name are confined to a narrow or specialized channel of trade or move in multiple channels.
- (f) Evidence from contractors or customers, of the Applicant’s reputation or name recognition.

[7] In addition to the lack of information of the actual and complete internet search results generated by queries of “attic rain specialists” or “attic rain” mentioned in para 4(j) above, the record lacks copies of the alleged printed promotional materials said to infringe the Applicant’s rights.

[8] There are also gaps in the evidence about the Respondent’s market penetration, length of time it has used the phrase “Attic Rain Specialists”, or whether other competitors have also been claiming they are attic rain specialists.

[9] The Applicant’s trademark application is pending in the Registrar’s Office. The Registrar must refuse the application in certain circumstances (*Trademarks Act*, RSC 1985, c T-13, section 37(1)). Third parties may oppose the registration of the trademark (section 38(2)). The evidence does not indicate whether or not the claimed trademark has yet been examined, opposed, or registered. The parties appear to be in agreement that it has not yet been registered.

Law

[10] The Applicant’s counsel stated in verbal submissions that the basis for the claim to an injunction is the common law tort of passing-off and specifically disclaimed reliance on the *Trademarks Act*. Consequently I do not deal in these reasons with any issues about the scope or applicability of section 7 of the *Trademarks Act*.

[11] To obtain a permanent injunction, the Applicant must fully prove its rights, and establish that an injunction is the appropriate remedy (*Kathryn Farms Ltd v 1572548 Alberta Ltd*, 2022 ABCA 21 at para 38; *Law Society of Alberta v Beaver*, 2021 ABCA 163 at para 35; *Bruderheim Community Church v Moravian Church In America (Canadian District)*, 2020 ABCA 393 at para 24).

[12] The three necessary components of a passing-off action are: the existence of goodwill, deception of the public due to a misrepresentation and actual or potential damage to the plaintiff (*Kirkbi AG v Ritvik Holdings Inc*, 2005 SCC 65 at para 66; *Ciba-Geigy Canada Ltd v Apotex Inc*, 1992 CanLII 33 (SCC), [1992] 3 SCR 120 at p 132).

[13] These elements are elaborated in *Kirkbi*. A claimant in a passing-off action must establish goodwill in respect of the distinctiveness of the product (*Kirkbi* at para 67). The second component is misrepresentation creating confusion or a likelihood of confusion in the public. Misrepresentation may be wilful and may thus mean the same thing as deceit, but the doctrine of passing-off also covers negligent or careless misrepresentation by the trader (*Kirkbi* at para 68).

[14] In respect of proof of goodwill, Dilts J recently observed in *Corus Radio Inc v Harvard Broadcasting Inc*, 2019 ABQB 880:

[86] In *Veuve Clicquot [v Boutiques Clicquot Ltée]*, 2006 SCC 23] the Supreme Court set out considerations for determining goodwill in reference to section 22 of the *Trademarks Act*. In *Sandhu Singh [Hamdard Trust v Navsun Holdings Ltd]*, 2018 FC 1039] at para 35, the Federal Court found those same considerations were appropriate factors to determine the existence of goodwill in a claim for passing off. Those factors are:

...degree of recognition of the mark within the relevant universe of consumers, the volume of sales and the depth of market penetration of products associated with the claimant's mark, the extent and duration of advertising and publicity accorded the claimant's mark, the geographic reach of the claimant's mark, its degree of inherent or acquired distinctiveness, whether products associated with the claimant's mark are confined to a narrow or specialized channel of trade, or move in multiple channels, and the extent to which the mark is identified with a particular quality...

...

[15] Distinctiveness is an important consideration in the present case. The words in question appear to be descriptive. Attic rain is a well-known condition and the Applicant claims to be a specialist in attic rain. The same may well be true for any number of HVAC or roofing contractors.

[16] In cases where the words are merely descriptive, an important consideration is whether the words have developed a secondary meaning that signifies exclusive association with the claimant's services. The closer the name is to a mere description of the article sold, the greater becomes the difficulty of proof (*Reddaway v Banham*, [1896] A.C. 199 at 204). More recently, see *Oxford Pendaflex Canada Ltd v Korr Marketing Ltd et al*, 1982 CanLII 45 (SCC), [1982] 1 SCR 494.

[17] In verbal submissions I raised the issue with Applicant's counsel of lack of distinctiveness. I asked, if a plumber called themselves Leaky Pipe Specialists, would counsel's position be the same as it is with Attic Rain Specialists? Counsel submitted it would depend whether or not there was a company registered under the name Leaky Pipe Specialists Inc. He emphasized that "Attic Rain Specialists" is the Applicant's name because they registered it in the Alberta corporate registry. The Respondent cannot use their name because it amounts to a misrepresentation that the Respondent is associated with the Applicant.

[18] It is not enough, in support a passing off action, to adopt a generic name by registering same in Alberta corporate registry. "Attic Rain Specialists" might be used as a description of the qualities of a service provider or as a name. The Applicant must prove the requisite degree of goodwill. Otherwise, whatever representation one might conceive is not actionable.

Discussion

[19] The Applicant did not meaningfully deal with the issue of lack of distinctiveness.

[20] The Applicant's deponent provided an opinion about goodwill, and bare assertions of brand name recognition and customer confusion.

[21] The existence of goodwill is a question of mixed fact and law. Opinions of the existence of goodwill go beyond the scope of lay opinion.

[22] The existence of brand recognition or confusion is a matter of fact. In the present case the Applicant did not provide examples or records of brand recognition or current customer confusion that the deponent said has occurred. If the market considers the words descriptive or generic, there might not be significant brand recognition, and any brand recognition might be within a group unlikely even in a hurried review of an internet search to confuse No Payne Roofing with their desired contractor.

[23] Even if the opinion of goodwill was admissible, I have discretion to decide the weight to assign such opinion. I similarly have discretion as to the weight to assign the assertions of fact.

[24] The gap in the information concerning the use in the competitive market of the words "attic rain" and "attic rain specialists" by the Applicant's competition is particularly concerning given the generic nature of the words to which the Applicant claims entitlement. It would stand to reason that several competitors may be claiming to be specialists in their trade. It would stand to reason that an internet search of such generic phrases would generate many search hits, yet the Applicant's screen shot of search results does not appear complete because it is apparent from the bottom of the picture that there is at least one additional sponsored hit.

[25] The Applicant's general assertions are not a sufficient discharge of the evidentiary burden of the balance of probabilities to prove goodwill or enough to shift that burden to the Respondent. Absent evidence of the underlying factual matters of the type mentioned by Dilts J in *Corus Radio* that would permit me to assess for myself the necessary element of goodwill, I am not prepared to ascribe weight to these assertions.

[26] Therefore, the Applicant has not proved on the balance of probabilities, the requisite degree of goodwill. I do not need to consider the second and third elements, though with respect to the second element I was of the view that if the first element is not proved, then given the

generic meaning of the words in the name there is no material prospect of confusion among customers.

[27] I also had concerns over the scope of the proposed permanent injunction, which are properly addressed in connection with the second branch of the test for a permanent injunction (para 11 above). If the words on which the claim is based have some secondary meaning associated with the Applicant, this does not necessarily preclude the Respondent from using them for their primary meaning in a manner not calculated to mislead the consumers of the service, as recognized in the *Reddaway* case.

[28] It may have been necessary to provide exceptions in the form of injunction; for example, while the internet search result and associated internet site already use the Respondent's corporate name, the Respondent might be ordered to add a disclaimer of any association with the company Attic Rain Specialists Ltd.

[29] However, without a proper evidentiary record it is not practicable to justly delineate the boundaries of the injunction.

[30] I warned the Respondent that as a self-represented litigant he must familiarize himself with applicable legal principles and consider whether he would put evidence before the Court and warned him of the consequences of not doing so. I recommended he obtain legal advice.

[31] The Respondent was insistent on proceeding at the first appearance. The Respondent submitted his representation is true – he actually is an attic rain specialist. He says he has a human right to use the name. His submissions also miss the mark. If the words have acquired a secondary meaning associating the words with the Applicant's services, then the fact the primary meaning of the words are true is not a defence to passing-off (*Reddaway* at p 208, 211 - 213).

[32] Nevertheless, the Respondent's misunderstanding of the applicable principles does not absolve the Applicant from proving its case.

Conclusion

[33] I am not satisfied on the present record that the Applicant has proved on the balance of probabilities the first element of passing off. I am not prepared to grant a permanent injunction in morning chambers on the basis of such a weak record concerning the first element passing-off.

[34] I was, and still am, concerned that such an application would be brought in morning chambers with such weak evidence of distinctiveness and the existence of goodwill. Normally a matter of the present type is brought by Statement of Claim, not Application. Any requirement for an injunction is then dealt with before the hearing for final relief in a chambers application for an interim or interlocutory injunction assuming the party seeking the temporary injunction is prepared to provide an undertaking of damages to the Court.

[35] I asked Applicant's counsel during submissions whether he wanted to go ahead with the application in morning chambers. He responded that his instructions were to proceed with the application. He did not seek an opportunity to supplement evidence or amend the proceedings to provide for a more fulsome hearing for a permanent injunction whether with more extensive evidence, oral evidence, or trial evidence.

[36] The Court is bound to resolve matters on the basis of a fair, just and proportionate procedure. I have discretion to convert the proceedings or adjourn them to a more appropriate

forum but the Applicant disclaimed such a course of action by indicating he wanted to make the application for a permanent injunction based on the affidavit before the Court. I am entitled to assume the Applicant put its best evidence forward. It may be it does not have additional evidence or does not want to expend the resources to present it in the present case. The Applicant is represented by legal counsel.

[37] In these circumstances it is fair to proceed without further inquiry or opportunity to the Applicant. I dismiss the application.

[38] The Respondent, being self-represented, is recommended to take legal advice of the effect of this decision if it plans to continue referring to itself as an attic rain specialist. It might be that my decision is not the last word on the dispute between Applicant and Respondent. That is a matter on which the Respondent should satisfy itself, and the Court again recommends the Respondent obtain legal advice.

[39] If the Respondent wishes to claim costs, it should inform itself of the basis on which a self-represented litigant may receive costs. If it decides to claim costs, it may do so by submitting a letter request to the Clerk's Office setting out the reasons for the request, the amount sought, and the basis for calculating the amount together with a copy of these reasons. Any such request must be submitted to the Clerk's Office and a copy served on Applicant's counsel not later than April 22, 2024. The Applicant may file and serve a reply no later than three weeks following service of such request.

[40] Counsel will prepare a revised order and submit same in Word format for my consideration. Rule 9.2(4)(c) is invoked.

Heard on the 12th day of March, 2024.

Dated at the City of Calgary, Alberta this 21st day of March, 2024.

J.T. Eamon
J.C.K.B.A.

Appearances:

C. Newcombe
for the Applicant

M. Payne (with permission as contemplated under Rule 2.23(4))
for the Respondent