



2017 Year in Review

- Social Science Evidence -

Courtesy of

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2017 Year in Review: Consumer Evidence

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This publication catalogues references to survey and other social science evidence in Canadian legal and regulatory proceedings, as well as in expert literature. It excludes matters where social science evidence assisted in pre-trial settlement, or was filed but where a decision is still pending.

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Expert Literature on Social Science Evidence

1. ***“Are Trademark Surveys Worth the Cost?”*, Bereskin & Parr LLP**

In trademark disputes requiring litigation, courts are placing greater scrutiny on survey evidence and questioning whether the benefit of these submissions warrants the cost. Daniel Bereskin, a founding partner of Bereskin & Parr LLP, tackles this issue in his article *“Are Trademark Surveys Worth the Cost?”* highlighting the many benefits of survey evidence, but also the circumstances when a survey’s value may be reduced or where a survey fails to meet required standards.

To access the full article, [click here](#).

2. ***“Internet Surveys in Intellectual Property Litigation: Dovesyay, No Proveryay”*, *The Trademark Reporter***

Surveys conducted online continue to increase in number within the corporate world and across governments internationally. With that has come greater acceptance of online surveys submitted as evidence in arbitration and courts of law, but also a greater level of scrutiny of their reliability and validity. The September-October 2017 issue of *The Trademark Reporter* (TMR) included an article, co-authored by CorbinPartners’ chair Ruth Corbin, entitled *“Internet Surveys in Intellectual Property Litigation: Dovesyay, No Proveryay”*. This article presents guidelines for responding to critics of online surveys, and advances standards for use by the courts as expert evidence.

To access the full article, [click here](#).

3. ***“Social Science as Expert Evidence”*, Ruth Corbin for the official Standards publication of the Marketing Research and Intelligence Association**

The Marketing Research and Intelligence Association (MRIA) has added a new appendix to its members’ Code of Conduct entitled *“Social Science as Expert Evidence”*. Written by Ruth Corbin and edited by the MRIA Standards Committee, the appendix is adapted from Dr. Corbin’s chapter on marketplace evidence in the *Canadian Trademark Law Benchbook*.

To access the Appendix, [click here](#).



Applications of Social Science Evidence in Legal Proceedings

1. Vancouver Community College v. Vancouver Career College (Burnaby) Inc., 2017 BCCA 41

The appellant, Vancouver Community College, a public education institution, alleged that Vancouver Career College, a private education institution, was wrongfully using, and passing off through its use of, the appellant's official "VCC" mark in its online advertising and domain name (VCCollege.ca). In the initial case, the action was dismissed.

In the appeal, Vancouver Community College presented various historical elements, including consumer evidence from three past surveys that dealt with name recognition. This evidence was used to show the percentage of the population who would likely associate "VCC" with the appellant. While the respondent criticized the survey methodologies, survey reliability, and projection of results about past awareness to the present, the judge found that they nonetheless showed evidence of goodwill over the relevant time period.

The court allowed the appeal and issued a permanent injunction.

2. Sleep Country Canada Inc. v Sears Canada, T-1739-16, 2017 FC 148

Sleep Country Canada, Inc. applied for an interlocutory injunction to prevent Sears Canada from using the slogan "*There is no reason to buy a mattress anywhere else,*" stating likely confusion with Sleep Country's trademark ring "*Why buy a mattress anywhere else.*" Sleep Country alleged Sears' use of its new slogan caused irreparable harm to Sleep Country's trademarks by depreciating their goodwill and distinctiveness.

Despite Sears' argument that Sleep Country did not provide evidence of confusion through a survey, expert Professor Wong, on behalf of Sleep Country, stated that "a methodologically sound consumer survey would not have been possible within the timeframe." The Court concurred, adding that in circumstances such as these, they were fully capable of assessing the likely impact on consumers.

Sleep Country did, however, provide evidence from a 2013 marketing survey regarding trademark valuation, which demonstrated that "30% of participants could recall the jingle without a prompt" and that 69% of first time visits led to purchases from the store. The survey further showed that Sleep Country was "top of mind" for consumers as the first place to visit when mattress shopping. This evidence, along with the similarity in both wording and meaning of the two slogans, persuaded the court that even initial confusion would lead to fewer first time visits to Sleep Country, and hence to decreased sales.



The Court found the goodwill and value of Sleep Country's trademark would depreciate with the continued use of Sears' slogan. The harm done to Sleep Country was deemed unquantifiable and therefore irreparable. Ultimately, the Court granted the injunction.

3. Irving Consumer Products Limited c. Cascades Canada, 2017 QCCS 526

Irving Consumer Products Limited applied for an injunction in the Quebec court against Cascades Canada ULC. Its complaint alleged confusion in the context of bathroom tissue products, caused predominantly by the soft furry animals displayed on product packaging. Irving's Royale brand of bathroom tissue features two white Persian kittens on its logo, while Cascade introduced "Fluff" and "Tuff", two cartoon-style rabbits individually featured on each of its Regular and Ultra varieties.



To support its case, Irving submitted a 2015 survey that found its Royale brand to be the most trusted bathroom tissue among Canadians. Irving also submitted an expert marketing opinion from an Ivy Business School professor on the likelihood of confusion between the two products. While the opinion concluded that Cascade had "copied key brand elements that help consumers differentiate Royale bath tissue from competitive products", the Court gave little weight to the evidence, primarily due to significant errors found in the report and the expert's seemingly oversimplified definition of confusion. The Court also observed that "many sellers of bathroom tissue use cuddly white animals". The Court deemed the colour similarities to be less significant than argued by the plaintiff, and anticipated that the average consumer would be able to distinguish between two cats and one rabbit. Finally, it noted that the prominently featured brand names on each package would serve to diminish the likelihood of confusion.

The application for injunction was dismissed.

4. Diageo Canada Inc. v. Heaven Hill Distilleries, Inc., 2017 FC 571

Diageo Canada Inc. filed a Federal Court action against Heaven Hill Distilleries, Inc., alleging that Heaven Hill's ADMIRAL NELSON'S rum products infringed on the CAPTAIN MORGAN rum products, and that Heaven Hill was passing off its rum products as being from Diageo.



The plaintiff submitted consumer-based survey evidence, designed and executed by CorbinPartners Inc.

The survey evaluated general impressions of the Admiral Nelson's bottle, and measured the extent to which rum purchasers mistook Admiral Nelson's Premium Spiced Rum as originating with the makers of Captain Morgan rum. The survey was based on in-person surveys in four cities across Canada, and allowed a comparison of results between cities where Admiral Nelson's Premium Spiced Rum was available for sale and cities where it was not.

The survey results demonstrated that the Captain Morgan brand name was "spontaneously and almost exclusively brought to mind by the Admiral Nelson's Premium Spiced Rum bottle"; they showed a statistically significant level of misapprehension as to source. The similar pictures of nautical figures on the bottles were a frequent contribution to confusion. While the survey evidence was criticized by an opposing expert, a pre-trial motion to exclude the report was dismissed. Justice Boswell found that the survey report met the *Mohan* requirements, including being relevant and necessary to assist the trier of fact.

Diageo was successful in establishing infringement.

5. Canadian Copyright Licensing Agency v. York University, 2017 FC 669

The Canadian Copyright Licensing Agency [Access Copyright] filed an action against York University [York] to enforce a previously-issued Interim Tariff on copying activities by York's employees of all copyright-protected work. York counterclaimed, stating that these reproductions abided by York's Fair Dealing Guidelines and were hence an exception to the *Copyright Act's* definition of "fair dealing".

The evidence submitted by Access Copyright included three surveys (one with its creator affiliates, one with members of the Association of Canadian Publishers, and one with Canadian authors), all pertaining to the hypothetical effect if the tariff were placed on creative work. Among the survey results, it was found that 40% of creator affiliate respondents thought there would be a reduction in creative output. The survey of Canadian authors showed that a quarter of respondents believed the adoption of the tariff would unfairly limit their revenues.

While these surveys were admitted at trial, the Court acknowledged that the findings were more directional in nature, and predominately used to confirm common sense perceptions of adverse effects rather than to quantify the true extent of harm.

With all evidence considered, the Court found York's Guidelines to be insufficient to guard against unfair impact on Access Copyright creators.

6. Ferrero S.p.A. v A & V 2000 Inc., 2017 TMOB 84

The company A & V 2000 Inc. applied for a trademark registration for the NUTERRA & Design trademark for use with organic or granola-based breakfast cereals.



Ferrero, the owner of the NUTELLA mark, filed an opposition to this registration, including a claim of confusion with their own NUTELLA mark. To support its position, the opposition submitted market survey evidence conducted by an independent investigation firm, demonstrating that both company's products were frequently offered in the same stores and often displayed together in the same aisle.

Based on similar distribution channels and all other evidence submitted, including proof of Nutella's reputation, the phonetic resemblance between the marks, use of nuts in both products, and suitability of both products for consumption at breakfast, the Board found that the applicant had not met its burden, and rejected its application for registration.

7. RE/MAX, LLC v GMAX WORLD REALTY INC., 2017 TMOB 126

In 2012, GMAX World Realty Inc. filed to register the following trademarks: Greater than MAX, G/MAX REALTY, G-MAX REALTY, and GMAX WORLD REALTY. These were opposed by RE/MAX, LLC due to a likelihood of confusion with their trademarks, all of which contain RE/MAX or REMAX.

RE/MAX submitted survey evidence from Chuck Chakrapani, President of Standard Research Systems and of Leger Analytics. The survey was intended to determine the extent to which the pertinent population would identify GMAX WORLD REALTY, in the context of real estate services, as being from a particular source, and also to determine whether or not there was a perceived “association, affiliation, or endorsement” between that source and RE/MAX. (The trademark “Greater than MAX” was not addressed in the Chakrapani affidavit.)

The TMOB excluded the survey evidence on the grounds that it was “not necessary and is irrelevant”. While it agreed that “surveys...have the potential to provide empirical evidence which demonstrates consumer reactions in the marketplace”, the TMOB found the evidence in this case unhelpful to the confusion analysis. Among the deficiencies it cited in the survey were testing of the wrong mark, repetitive questioning, and inappropriate use of a side-by-side comparison.

Nevertheless, TMOB found that the Applicant had not met its evidentiary burden of demonstrating unlikelihood of confusion among the marks that included the letters GMAX (given their phonetic and visual resemblance to REMAX) and rejected the applications for those registrations. The registration for Greater than MAX was allowed.



Uses of Social Science Evidence by Regulatory Agencies and Advocacy Organizations

1. CRTC's 'Reconsideration of Telecom Decision 2017-56'

OpenMedia Engagement Network (OpenMedia) responded to a CRTC Notice of Consultation proceeding titled '*Reconsideration of Telecom Decision 2017-56 regarding final terms and conditions for wholesale mobile wireless roaming service*'. OpenMedia is a non-profit advocacy group who aims to "encourage open and innovative communication systems within Canada."

In its report, Open Media referred to affordability issues for low-income Canadians and noted their reliance on mobile, wireless communication services. It supported this assertion with evidence from a CRTC survey, conveyed in a 2016 report of the Public Interest Advocacy Centre:

"Over a quarter of Canadians surveyed by the CRTC use their mobile phone more than other communications services, while 44% of low-income Canadians surveyed by PIAC consider mobile phone service either important or extremely important. Moreover, survey evidence suggests Canadians' reliance on mobile phone will increase over the next five years."

To read more, click [here](#).

2. Bank of Canada's '2017 Financial System Review'

The Bank of Canada conducted a '*2017 Financial System Review*' that analyzed "the resilience of the Canadian financial system."

Its report documents a set of key vulnerabilities, including the country's growing household debt. While the Bank reports that the level of household indebtedness continues to rise, it counters with the finding that the quality of mortgage credit is improving and credits new mortgage rules instituted in 2016 by the federal government.

To support the latter finding, The Bank refers to an online survey of recent mortgage consumers ('*2017 Mortgage Consumer Survey*') conducted by the Canadian Mortgage and Housing Corporation. According to the survey, improved mortgage quality is evidenced by the purchase of lower cost homes, the increase in mortgage down payments, and the increase in mortgages for no more than 80% of the home's purchase price.

To read more about the study, click [here](#).

3. Federation of Ontario Law Associations (FOLA) submission re: Family legal service expansion

Following a request by the Ministry of the Attorney General and Law Society of Upper Canada, Justice Annemarie Bonkalo conducted an examination on the proposed expansion of family legal service options, including the scope of paralegal services to address certain family matters. Following receipt of the “Bonkalo Report”, the Law Society solicited stakeholder feedback on the recommendations made by Justice Bonkalo.

Over 160 submissions were received back, including one from the Federation of Ontario Law Associations (FOLA). Among the inputs provided, FOLA commented on the common assumption that paralegals are less expensive than lawyers. FOLA’s commentary relied on a CorbinPartners market reconnaissance study that compared fees of private practice paralegals and lawyers. The study confirmed the “common sense” impression that based on published rates, paralegals would be less expensive than lawyers. However, quantitative evidence is scarce regarding whether the cost of any particular project or work product would be cheaper overall.

FOLA contributed additional findings from a 2012 survey of the Canadian Research Institute for Law and the Family, which assessed the delegation of legal services to paralegals. Most lawyers participating in the survey noted the possibility of higher costs when using paralegal services, particularly if modifications were required to correct previous work.

Read FOLA’s submission to the Law Society of Upper Canada [here](#).



Noted Absence of Social Science Evidence

1. Molson Canada 2005 v Drummond Brewing Company Ltd, 2017 TMOB 78

Drummond Brewing Company Ltd. applied for registration of the BEER BEER trademark to be used with beer products.



Molson Canada 2005 opposed this registration, stating that the application did not conform to the requirements of the Trademarks Act, that the Mark was not registrable, the Applicant was not entitled to registration of the Mark, and the Mark was not distinctive.

Regarding the distinctiveness claim, the Applicant submitted an opinion from the Executive Director of the Alberta Small Brewers Association who stated that, based on his extensive network of contacts, beer drinkers would find the BEER BEER mark to be unique.

The expert's opinion was challenged for its lack of relevant documentation and absence of any formal survey. The opponent argued that one person's opinion, even an expert's, was insufficient to replace evidence of actual consumers.

The Board agreed and concluded that the Mark was clearly descriptive and non-distinctive. The application was rejected.

CorbinPartners Inc. conducts market research and business intelligence for Canadian and international corporations and governments, and has Canada's leading specialty practice in research support for risk analysis, regulatory matters, mediation and litigation. Its research designs have stood up to the toughest scrutiny in boardrooms and courtrooms. CorbinPartners is an accredited Gold Seal member of the Marketing Research & Intelligence Association (MRIA).

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