



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2012 TMOB 12
Date of Decision: 2012-01-30

**IN THE MATTER OF THREE
OPPOSITIONS by Brent Marsall
to application Nos. 1,336,653;
1,336,654; and 1,337,474 for the
trade-marks DYNASTY SPAS &
GAMES ROOMS; DYNASTY
SPAS; DYNASTY SPAS &
GAMES ROOMS & Design in
the name of Dynasty Ontario Inc.**

APPLICATION No.1,336,654 - DYNASTY SPAS

FILE RECORD

[1] On February 13, 2007, Dynasty Ontario Inc. filed an application to register the mark DYNASTY SPAS, based on use of the mark in Canada since at least as early as March 31, 2006, in association with the services below:

wholesale distribution and retail sale of hot tubs, gazebos, tanning beds, billiard tables, and games room products, namely, card tables and chairs, table top hockey games, table top football games, overhead billiard table lights, easy chairs, couches and bars.

The application disclaims the right to the exclusive use of the word SPAS apart from the mark as a whole.

[2] The Trade-marks Examination Section of the Canadian Intellectual Property Office objected to the application on the basis that the applicant was not entitled to register the applied for mark. In this regard, the Examination Section cited application

No. 1,327,275 for the mark DYNASTYSPAS, which application had priority over the subject application. However, it appears that the Examination Section vacated its objection when the cited application No. 1,327,275 was abandoned on January 21, 2009.

[3] The subject application was subsequently advertised for opposition purposes in the *Trade-marks Journal* issue dated March 25, 2009 and was opposed by Brent Marsall (an individual) on May 25, 2009. Brent Marsall was the owner of the above mentioned abandoned application No. 1,327,275.

[4] The Registrar forwarded a copy of the statement of opposition to the applicant on June 16, 2009, as required by s.38(5) of the *Trade-marks Act*, R.S.C. 1985, c. T-13. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition.

[5] The opponent's evidence consists of the affidavit of Brent Marsall. The applicant's evidence consists of the affidavit of Ryan Williams. The opponent's evidence in reply consists of a further affidavit of Brent Marsall.

[6] The opponent filed a written argument. The applicant provided a copy of (i) a Notice of Application before The Competition Tribunal for a determination whether Brent Marsall, the named Respondent in the Application, was engaged in reviewable conduct contrary to the *Competition Act*, R.S.C. 1985, c. C-34, as amended, and (ii) a press release, dated July 29, 2010 in connection with the above Notice of Application. I have not had regard to the above documents filed by the applicant as they constitute neither a written argument nor admissible evidence. Both parties attended an oral hearing held on January 11, 2012.

STATEMENT OF OPPOSITION

[7] 1. The first ground of opposition, pursuant to s.30(i) of the *Trade-marks Act*, alleges that the applicant's use of the applied for mark was unlawful because the applicant was aware of the opponent's trade-name Dynasty Spas. In this regard, the opponent alleges that Ryan Williams, a principal of the applicant and a former employee of the opponent, had prior knowledge of the opponent's trade-name Dynasty Spas used in association with the same services as specified in the subject application. The opponent

alleges that the applicant directed public attention to its services in such a way as to contravene s.7 of the *Trade-marks Act*.

2. The second ground, pursuant to s.16(1)(c), alleges that the applicant is not entitled to register the applied for mark because at the date of first use claimed in the subject application, that is, March 31, 2006, the applied for mark DYNASTY SPAS was confusing with the opponent's trade-name Dynasty Spas.

OPPONENT'S EVIDENCE

Brent Marsall

[8] Mr. Marsall states that in March 1997 he began a hot tub business operating as Polar Spas. In March 2003 he entered into an agreement with a United States of America company, which operated under the trade-name Dynasty Spas, to sell "a line of hot tubs and other recreational products known as Dynasty Spas." Because of the volume of sales generated by Polar Spas, Mr. Marsall and his companies were granted "the Canadian rights in and to the Dynasty Spas line of products."

[9] Mr. Marsall states that he hired Ryan Williams in 2004 for a sales position "and as such he [Ryan Williams] was fully aware of my use of the Dynasty Spas trademark and could not have been satisfied that he was entitled to use the same trademark in association with the same wares . . ."

[10] Mr. Marsall states that he ceased to be associated with Polar Spas in March 2006. He then incorporated a new company operating under the trade-name Dynasty Spas. The purpose of the new company was to continue to sell the "Dynasty Spas product line of hot tub and recreational products" (in Red Deer, Alberta) based on Mr. Marsall's agreement with Dynasty Spas operating in the U.S.A. In February 2007, Mr. Marsall incorporated Dynasty Spas Inc. for the purpose of similar sales in Calgary, Alberta.

[11] Paragraphs 9 – 11 of Mr. Marsall's affidavit are shown in full, below:

9. In the normal course of trade, the Dynasty Spas hot tub and billiard related wares are sold through my Dynasty Spas retail showrooms where the "Dynasty Spas" trademark is and has been displayed in association with the wares at the time of purchase by customers, a true copy of such material used in 2004 for display in the showrooms is attached and marked as Exhibit "C" to this Affidavit.

10. In the normal course of trade, the trademark "Dynasty Spas" is and has been used in association with the advertising and sale of hot tub and billiard related wares and services since at least as early as March 2003 and prior to the Applicant's first use date of March 31, 2006, a true copy of such advertising is attached and marked as Exhibit "D" to this affidavit.

11. In the 2006 fiscal year the companies that I operated had sales of 651 hot tubs showing the Dynasty Spas trademark; in the 2005 fiscal year the companies had sales of 382 hot tubs showing the Dynasty Spas trademark; in the 2004 fiscal year the companies had sales of 692 hot tubs showing the Dynasty Spas trademark; such sales being documented by sales agreements identifying the Dynasty Spas product line (true copies of which are attached and marked as Exhibit "E" to this Affidavit)

APPLICANT'S EVIDENCE

Ryan Williams

[12] Mr. Williams confirms that in the period 2003 - 2004 he sold the Dynasty Spas line of hot tubs in a retail showroom operated by Mr. Marsall. In the summer of 2004, Mr. Williams proposed forming a new company, Polar Spas Ontario Inc., for the purpose of opening a Polar Spas store in Mississauga, Ontario. The principals of that business were Mr. Williams, Mr. Marsall and Ken Nickel (a business partner of Mr. Marsall). Mr. Williams subsequently "bought out the shares of Polar Spas Ontario Inc. on November 30, 2005 from Mr. Marsall and Mr. Nickel" and closed the company.

[13] In September 2005, Mr. Williams incorporated Dynasty Ontario Inc. which began to operate, in February 2006, under the trade-name Dynasty Spas & Games Room. The business was promoted as Dynasty Spas and/or as Dynasty Spas & Games Room.

[14] According to Mr. Williams, at about this time Mr. Marsall was having difficulty with the Polar Spas business and wanted to close it down and begin afresh with a new name. According to Mr. Williams, it was for this reason that Mr. Marsall applied to register the trade-mark DYNASTYSPAS, application No.1,327,275, referred to earlier. According to Mr. Williams, the reason application No.1,327,275 was abandoned was because Mr. Marsall "did not have sufficient evidence to show that he was entitled to use the name or that he was using that name as his business name."

[15] Paragraphs 11 and 13 of Mr. Williams affidavit are reproduced in full, below:

11. Exhibit "D" to this affidavit is the full Polar Spas advertisement, which shows Mr. Marsall's corporate name as Polar Spas, which was

conveniently cut off at the bottom of Exhibit "D" to Mr. Marsall's submission. He advertised and was actively known as Polar Spas until as late as June of 2007. Dynasty was a brand that he carried amongst other brands of products.

13. I have not ever disputed that Brent was a dealer and sold the Dynasty Spas brand of product in Polar Spas well before I did. I chose to use the name Dynasty Spas and was the first to be known as Dynasty Spas in Canada and intend to protect my corporate identity, as to not confuse or mislead the public. There are many Dynasty dealers in Canada. Simply because you sell a product, does not make you entitled to a trademark. I chose to use it as my name in February of 2006, as it had not been previously used by anyone in Canada.

OPPONENT'S REPLY EVIDENCE

Brent Marsall

[16] In reply, Mr. Marsall states that the reason application No. 1,327,275 was abandoned was because of his "inability to sufficiently amend the typographical errors and other errors" made in the original application.

[17] In reply to paragraph 13 of Mr. Williams' affidavit, Mr. Marsall states that the applicant no longer "advertises its business operations under the Dynasty Spas trade name." Rather, as of April 12, 2010 (the date of Mr. Marsall's reply affidavit) the applicant has changed its trade-name to "Save on Spas."

[18] In respect of the opponent's reply evidence, I would first note that as the file wrapper for application No.1,327,275 is not in evidence, I am not in a position to determine with any certainty the reasons for its abandonment. In any event, it is uncertain that the file wrapper would provide evidence important to the issues raised in the statement of opposition. I would also note that Mr. Marsall's evidence regarding the applicant's use of the trade-name Save on Spas is not relevant as it references events occurring after the material dates germane to the grounds of opposition: in this regard see paragraph 19 below.

GROUNDS OF OPPOSITION

[19] The material time for considering the first ground of opposition, based on s.30(i) of the *Trade-marks Act*, is the date that the subject application was filed, in this case

February 13, 2007: see, for example, *Delectable Publications Ltd. v. Famous Events Ltd.* (1989), 24 C.P.R.(3d) 274 (T.M.O.B.) The material time for considering the second ground of opposition, based on s.16(1)(c) of the *Act*, is the date of first use of the applied for mark, in this case March 31, 2006: see s.16(1) .

[20] Both grounds of opposition are based on the assertion that the opponent Brent Marsall was using the trade-name Dynasty Spas at the relevant dates. Considering the evidence filed by both parties and particularly the exhibit material, I must conclude that the opponent has not established that he in fact used the trade-name Dynasty Spas in Canada. In my view, the weight of the evidence indicates that the opponent operated a business under the trade-name and trade-mark POLAR SPAS which business sold and advertised hot tubs under the product line brand DYNASTY SPAS. Thus, the term DYNASTY SPAS was associated with hot tubs (that is, with wares originating with an American supplier) rather than with the opponent's retail outlet.

[21] As the opponent has failed to establish its use of the trade-name Dynasty Spas as alleged in the statement of opposition, the opponent cannot succeed on either of the grounds of opposition. In view of the foregoing, the subject opposition is rejected.

[22] It may seem an odd result for the applicant to be permitted to register a trade-mark which has been used in Canada by a third party (albeit a foreign third party) for wares closely associated with the applicant's services. However, my jurisdiction in this proceeding is restricted to considering the issues raised in the statement of opposition by the present opponent. Of course, in addition to opposition proceedings, the *Trade-marks Act* provides other procedures for aggrieved parties to safeguard proprietary rights – procedures which are beyond the jurisdiction of this tribunal.

APPLICATION No. 1,336,653 - DYNASTY SPAS & GAMES ROOMS

APPLICATION No. 1,337,474 - DYNASTY SPAS & GAMES ROOMS & DESIGN

[23] The two above referenced applications were filed contemporaneously with the application for DYNASTY SPAS. They cover the same services as the application for DYNASTY SPAS and claim the same date of first use, that is, March 31, 2007. The issues raised in the statements of opposition and the evidence filed by the parties are the essentially same in all three oppositions. Applying the same considerations as in the

DYNASTY SPAS opposition, the oppositions to the two above referenced applications are rejected.

DISPOSITION

[24] The oppositions to application Nos.1,336,653; 1,336,654; and 1,337,474 are rejected. These decisions have been made pursuant to a delegation of authority under s.63(3) of the *Trade-marks Act*.

Myer Herzig
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office