

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

Citation: 2016 TMOB 88
Date of Decision: 2016-05-30

IN THE MATTER OF AN OPPOSITION

Imperial Tobacco Canada Limited **Opponent**

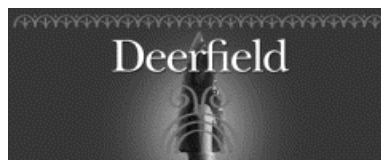
and

Robbie Dickson **Applicant**

1,612,513 for DEERFIELD & Design **Application**

Introduction

[1] Imperial Tobacco Canada Limited (the Opponent) opposes registration of the trade-mark DEERFIELD & Design (the Mark), shown below, that is the subject of application No. 1,612,513 by Robbie Dickson (the Applicant).



[2] Filed on February 4, 2013, the application is based on use of the Mark in Canada since at least as early as 2004 in association with the following goods:

Cigarettes, raw or manufactured; tobacco products, namely cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco; tobacco substitutes (not for medical purposes); smokers' articles, namely cigarettes paper and tubes, cigarette filters, tobacco tins, cigarette cases and ashtrays,

pipes, pocket cigarette rollers, lighters; matches; men's and women's clothing: jackets, shirts, jogging suits, hats, caps, T-shirts, sweatshirts; glass & plastic beverage mugs, glass and plastic beverage glasses, ceramic coffee cups, key chains, pens, umbrellas, sport bags, golf towels; insulated beverage cans.

[3] Generally speaking, the grounds of opposition are premised on allegations that the Applicant has not used continuously the Mark in association with the goods listed in the application since the claimed date of first use, and the Applicant could not have been satisfied that he was entitled to use the Mark in Canada.

[4] For the reasons discussed below, I find that the application ought to be refused.

The Record

[5] The Opponent filed its statement of opposition on March 21, 2014. The grounds of opposition raised under section 38(2)(a) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) allege that:

- the application does not comply with section 30(b) of the Act, since the Applicant has not continuously used the Mark in Canada in association with the goods listed in the application since the claimed date of 2004; and
- the application does not comply with section 30(i) of the Act since the Applicant could not have been satisfied that he was entitled to use the Mark in association with the goods listed in the application, because such use would be unlawful. In particular, the Applicant's manufacture, distribution, and/or sale of products bearing the Mark is, and was at all material times, in violation of the *Excise Act, 2001* and the *Tobacco Act*.

[6] The Applicant filed and served his counter statement on May 30, 2014.

[7] In support of its opposition, the Opponent filed the affidavit of Michael S. Duchesneau, a law clerk employed by the Opponent's trade-marks agent. In support of his application, the Applicant filed his own affidavit. Neither affiant was cross-examined.

[8] Each party filed a written argument and was represented at a hearing. The hearing was held jointly with hearings for co-pending opposition proceedings concerning three other trademark applications owned by the Applicant. Separate decisions will be issued for these other proceedings, which pertain to application Nos. 1,612,512 (WOOLF PACK & Design), 1,612,605 (DIVA & Design), and 1,612,610 (RAINBOW TOBACCO CO. Design).

[9] Finally, it should be noted that on April 6, 2016, on the eve of the hearing, the Registrar received a letter from the Applicant enclosing his list of case law for the hearing. I was unaware of the Applicant's letter at the time of the hearing, as was the Opponent [see Opponent's letter dated April 12, 2016]. Also, the Applicant did not reference his letter at the hearing, even after I pointed out that no list of case law had been received from the Applicant for the hearing. The Applicant merely indicated relying on the cases cited in his written argument.

[10] It appears that the cases listed in the Applicant's letter of April 6, 2016 are those cited in his written argument. However, a printout of a document from the *Registraire des Entreprises* was also enclosed with the Applicant's letter, although not discussed by the Applicant at the hearing. If the Applicant wished for this document to be part of the record, he should have requested leave to file further evidence pursuant to section 44(1) of the *Trade-marks Regulations*, SOR/96-195. The Applicant did not do so. In the end, I disregard the document from the *Registraire des Entreprises*.

The Parties' Respective Burden or Onus

[11] The legal onus is on the Applicant to show that the application does not contravene the provisions of the Act as alleged in the statement of opposition. This means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the Applicant. However, there is also an evidential burden on the Opponent to prove the facts inherent to its pleadings. The presence of an evidential burden on the Opponent means that in order for a ground of opposition to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); *Dion Neckwear Ltd v Christian Dior, SA et al*, 2002 FCA 29, 20 CPR (4th) 155; and *Wrangler Apparel Corp v The Timberland Company*, 2005 FC 722, 41 CPR (4th) 223].

The Parties' Evidence

[12] I provide below an overview of the evidence filed by the parties, some of which I will discuss in more detail in the analysis of the grounds of opposition, where appropriate.

The Opponent's Evidence

[13] Mr. Duchesneau files as Exhibits "C" to "E" to his affidavit documents that he obtained from the Federal Court of Canada Registry for Court File No. T-160-12 [paras 2-4 of the affidavit]. Exhibits "A" and "B" to the affidavit are copies of emails from the Federal Court attaching the documents requested by Mr. Duchesneau.

[14] It appears that the documents relate to an Application brought by Rainbow Tobacco G.P. (Rainbow Tobacco) for judicial review of a decision of the Canada Revenue Agency (CRA), dated December 15, 2011, refusing to renew the tobacco license issued to Rainbow Tobacco pursuant to the *Excise Act, 2001*. These documents consist of copies of:

- Notice of Application, filed on January 16, 2012, by Rainbow Tobacco [Exhibit "C"];
- Detailed Affidavit of Robbie Dickson (that is the Applicant), affirmed on March 1, 2012, filed on behalf of Rainbow Tobacco (the Detailed Affidavit) [Exhibit "D"]; and
- Notice of Discontinuance, filed on November 5, 2013, by Rainbow Tobacco [Exhibit "E"].

[15] Mr. Duchesneau also files a printout of a news article of March 13, 2013 entitled *RCMP pressured Canada Revenue Agency to not license Mohawk tobacco firms: court docs*. This article was apparently obtained from the website *www.aptn.ca* accessed by Mr. Duchesneau on September 23, 2014 [para 5 of the affidavit, Exhibit "F"].

[16] Finally, Mr. Duchesneau files printouts of certain sections of the *Excise Act, 2001*, SC 2002, c 22 (the *Excise Act, 2001*) and *Tobacco Act*, SC 1997, c 13 (the *Tobacco Act*), which

he obtained from the Canadian Department of Justice website [para 6 of the affidavit, Exhibits “G” and “H”].

The Applicant’s Evidence

[17] In reviewing the Applicant’s own affidavit, I disregard any assertions that amount to opinions on questions of fact and law to be determined by the Registrar. I also disregard statements contained in the affidavit that are essentially arguments on the merit of the opposition; however, these statements will ultimately be addressed in my decision because they have been reiterated through the Applicant’s written and oral arguments.

[18] I reproduce below paragraph 3 of the affidavit, which contains the Applicant’s statement concerning his continuous use of the Mark in Canada.

3. I have been continuously using the [Mark] in Canada in association with each of the general classes of [goods] described in the application since the stated date of first use. Marked as Exhibit “A” is a copy of an invoice from a printing house dated February 16, 2009. Marked as Exhibit “B” is a picture of a t-shirt [*sic*] bearing the Deerfield design. Marked as Exhibit “C” is [a] picture of playing cards bearing the Deerfield design. Marked as Exhibit “D” is [a] picture of a mug bearing the Deerfield design. Marked as Exhibit “E” is [a] picture of a beer koozie (cozy) bearing the Deerfield design.

[19] The Applicant states that at the time of the application, he was satisfied that he was entitled to use the Mark in Canada in association with the goods described in his application and he remains so satisfied at the date of his affidavit [para 5 of the affidavit].

[20] The Applicant files copies of documents that he obtained from the CRA website concerning a settlement agreement concluded in 2008 between the federal and certain provincial governments and the Opponent [para 10 of the affidavit, Exhibits “F” to “H”]. The Applicant states that the agreement “was concluded in order to resolve all potential civil claims [the federal and certain provincial governments] may have in relation to the [Opponent’s] role in the movement of contraband tobacco in the early 1990s” [para 11 of the affidavit].

[21] Finally, the Applicant files printouts of certain sections of the *Excise Act, 2001* and *Tobacco Act*, which he obtained from the Canadian Department of Justice website [para 12 of the affidavit, Exhibits “I” and “J”].

Preliminary Remarks

[22] Before analyzing the grounds of opposition, I shall make preliminary remarks to first address the Applicant’s submissions that the Opponent can neither challenge the Applicant’s use of the Mark, nor object to the registration of the Mark by the Applicant.

[23] Afterwards, I will point out general representations of the Opponent concerning the “non-renewal of Rainbow Tobacco’s tobacco licence” and the provisions of the *Excise Act, 2001* so as to facilitate the analysis of the grounds of opposition. I will conclude my preliminary remarks by addressing the parties’ representations with respect to the cross-examination, or lack thereof, of the Applicant.

Authority and Standing of the Opponent

[24] The Applicant contends that the Opponent has no “legal authority” to challenge his use of the Mark because “it is solely Her Majesty that is responsible for the application of the *Excise Act, 2001* and the *Tobacco Act* and their enforcement”.

[25] As I indicated at the hearing, the Applicant’s *right to use* the Mark in Canada is not the issue under consideration in the present proceeding. Rather, the ultimate issue to be decided by the Registrar is the Applicant’s *right to register* the Mark in association with the goods listed in the application. In other words, the issues surrounding the use of the Mark in Canada are considered as part of the assessment of whether the application contravenes the provisions of sections 30(b) and 30(i) of the Act, as pleaded by the Opponent.

[26] I now turn to the Applicant’s two-pronged submissions concerning the Opponent’s lack of standing to object to the registration of the Mark.

[27] First, the Applicant submits that the Opponent “was itself involved in illegal and unlawful activities” related to tobacco products (relying on Exhibits “F” to “H” to his affidavit).

To address this argument, it suffices to say that the Opponent's activities are not germane to the pleaded grounds of opposition. Thus, I will not further discuss the Applicant's submissions concerning the settlement agreement concluded in 2008 and Exhibits "F" to "H" to the Applicant's affidavit relating thereto.

[28] Second, the Applicant submits that the *Excise Act, 2001* and the *Tobacco Act* do not prohibit the registration of trade-marks. Only the Registrar has the authority to object to the registration of a trade-mark pursuant to the Act. Thus, the Applicant submits that there is no legal basis in this case for the Opponent to oppose registration of the Mark.

[29] The Registrar's authority with respect to the registration process, which includes opposition proceedings, must evidently be exercised within the limits of the Registrar's jurisdiction established by the Act.

[30] Under the scheme of the Act, *any person* having valid grounds may oppose the registration of a trade-mark once the trade-mark has been advertised in the *Trade-marks Journal*. The mechanism adopted by Parliament to prevent abuses through opposition proceedings that are without merit is set out at section 38(4) of the Act. Pursuant to this section, if the Registrar considers that a statement of opposition does not raise a substantial issue for decision, the Registrar shall reject it. In the present case, by forwarding a copy of the statement of opposition to the Applicant, the Registrar considered that there was at least one ground of opposition that, on its face, appeared to raise a substantial issue for decision [section 38(5) of the Act].

Non-Renewal of Rainbow Tobacco's Tobacco Licence

[31] To begin with, I note that there are no reasons to doubt that Exhibits "C" to "E" to the Duchesneau affidavit are copies of documents from the Federal Court File No. T-160-12. Further, the Applicant does not challenge the provenance of such documents and does not deny that he signed the Detailed Affidavit as one of Rainbow Tobacco's partners.

[32] To point out general representations of the Opponent as to what is established by these documents, I chose to reproduce below excerpts of its written argument:

16. Rainbow Tobacco is a general partnership in the business of manufacturing and distributing finished tobacco products. The Applicant is one of multiple partners operating Rainbow Tobacco.

Duchesneau Affidavit, ex “C”-“D”

17. On July 12, 2014, the predecessor to the CRA issued a tobacco licence to Rainbow Tobacco pursuant to section 14(1)(d) of the *Excise Act, 2001* and the regulations related thereto. This licence appears to have been annually renewed by the CRA until 2011.

Duchesneau Affidavit, ex “C”-“D”

18. On December 15, 2011, a representative of the CRA wrote to Rainbow Tobacco advising that its tobacco licence would not be renewed for the period commencing on January 1, 2012. Rainbow Tobacco initially contested this decision by corresponding with the CRA and bringing an application for judicial review of its decision in the Federal Court. However, on November 5, 2013, before the matter was adjudicated, Rainbow Tobacco wholly discontinued its application for judicial review and the CRA accepted this discontinuance.

Duchesneau Affidavit, ex “C”-“E”

[33] I note that the Applicant does not dispute these submissions of the Opponent. However, the Applicant disputes the Opponent’s contention that the documents are relevant as evidence in the present proceeding. I will discuss further the parties’ submissions when analysing the grounds of opposition.

The *Excise Act, 2001*

[34] To point out general representations of the Opponent concerning tobacco licences under the *Excise Act, 2001*, I chose once again to reproduce below excerpts of its written argument:

14. A person is prohibited by law from manufacturing or selling tobacco products in Canada unless authorized to do so by the Minister of National Revenue (the “Minister”) pursuant to the federal *Excise Act, 2001*. According to section 2 of [this Act], “‘tobacco product’ means manufactured tobacco, packaged raw leaf tobacco or cigars”. According to the same provision, “‘manufactured tobacco’ means every article, other than a cigar or packaged raw leaf tobacco, that is manufactured in whole or in part from raw leaf tobacco by any process”.

Duchesneau Affidavit, ex “G”

15. The only means by which a person can be authorized to manufacture tobacco products in Canada is by being issued a tobacco licence from the Minister pursuant to section 14(1)(d) of the *Excise Act, 2001*. More specifically, according to section 25(1) of that Act, “[n]o person shall, other than in accordance with a tobacco license issued to the person, manufacture a tobacco product”. According to section 29(a) of this Act, “[n]o person shall purchase or receive for sale a tobacco product... from a manufacturer the person knows, or ought to know, is not a tobacco licensee”. Consequently, these provisions constitute an effective bar against the sale and distribution of tobacco products in Canada by persons without a tobacco licence.

Duchesneau Affidavit, ex “G”

[35] I note that the Applicant does not dispute the above-referenced submissions. Rather, the Applicant submits that the Opponent has not discharged its evidential burden in the present case. I will discuss further the Applicant’s submissions when analysing the grounds of opposition.

No Cross-examination of the Applicant

[36] At the hearing, the Applicant argued that absent cross-examination the statements contained in his affidavit, including but not limited to his statement concerning his continuous use of the Mark in Canada, must be taken at face value. In reply, the Opponent submitted that it was under no obligation to cross-examine the Applicant. Furthermore, the Opponent submitted that it elected not to cross-examine the Applicant because it considered that his statements did not constitute proper evidence of use of the Mark in Canada by the Applicant in association with the goods listed in the application, much less evidence of continuous use, as submitted in the Opponent’s written argument.

[37] I addressed analogous arguments in the opposition case *London Drugs Limited v Purepharm Inc*, 2006 CanLII 80360, 54 CPR (4th) 87 (TMOB) at 92, where I commented as follows:

The first issue relates to the Applicant’s submission that in the absence of cross-examination, the evidence introduced by Mr. Kalaria is uncontested and could not be discounted. While it is true that the Opponent elected to forgo cross-examination, it may be that the Opponent has decided not to challenge the statements contained in the affidavit on the basis that they did not constitute proper evidence for the purposes of these proceedings. In my opinion, the lack of cross-examination does not prevent me from assessing the value or weight of the evidence introduced by an affiant [see

H.D Michigan Inc. v. The MPH Group Inc. (2004), 40 C.P.R. (4th) 425 and *GA Modefine S.A. v. Di Gio' S.R.L.* (S.N. 896,027, April 26, 2006) where analogous arguments have been addressed by this Board].

[38] These comments are equally applicable to the present case.

Analysis of the Grounds of Opposition

[39] The material date for assessing grounds of opposition alleging non-compliance with section 30 of the Act is the filing date of the application, namely February 4, 2013 in this case [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475].

Compliance with Section 30(b) of the Act

[40] For ease of reference, I reproduce the pleading as it reads in the statement of opposition:

Pursuant to paragraph 38(2)(a) of the *Trade-marks Act*, the application does not comply with paragraph 30(b), since the Applicant has not continuously used the subject trade-mark in Canada in association with the wares listed in the application since the claimed date of 2004.

[41] To begin, I note that the Applicant submitted in his written argument that the Opponent does not rely on any allegations of fact, contrary to section 38(3)(a) of the Act requiring that the grounds of opposition be set out in sufficient detail to enable the Applicant to reply thereto. However, no such assertion was set forth in the Applicant's counter statement, nor did the Applicant request an interlocutory ruling on the sufficiency of the pleading before filing his counter statement. Also, the Applicant did not raise the sufficiency of the pleading at the hearing. Rather, the Applicant argued that the Opponent has not met its evidential burden under the section 30(b) ground of opposition.

[42] In any event, I decline to find that the section 30(b) ground of opposition is contrary to section 38(3)(a) of the Act, as in my view there is no deficiency in the pleading. More particularly, based on a plain reading of the pleading, I am satisfied that the Applicant could understand that the ground of opposition was based on an allegation that the Mark had not been used continuously in Canada by the Applicant since at least as early as 2004 in association with the goods listed in the application. The present case can be contrasted with the decision in

Novopharm Limited v AstraZeneca AB, 2002 FCA 387, 21 CPR (4th) 289 where the ground of opposition was pleaded very broadly and the Court directed that the sufficiency of the pleading be assessed in light of the evidence of record. As I am satisfied the Applicant knew the case he had to meet, there is no need to have regard to the evidence.

[43] To conclude on the pleading, I note that as part of its submissions the Opponent contends that its evidence establishing “unlawful use” of the Mark by Rainbow Tobacco supports the section 30(b) ground of opposition. As I will detail below the Opponent’s submissions concerning its evidence, at this juncture I am not making any findings on the value of this evidence. I only wish to stress that in my view the pleading of the ground of opposition cannot be read so broadly as to include an allegation that the application does not comply with section 30(b) of the Act because of unlawful use of the Mark, even if I was to have regard to the evidence. Indeed, given the circumstances of this case, I consider it reasonable to find that the sections of the *Excise Act, 2001* and *Tobacco Act* introduced into evidence by the Opponent would have been seen by the Applicant as relating at the utmost to the section 30(i) ground of opposition, expressly alleging unlawful use of the Mark, not to the section 30(b) ground of opposition.

[44] The issue under section 30(b) of the Act is not whether the Applicant had abandoned the Mark as of February 4, 2013. The issue is whether the Applicant had continuously used the Mark in association with the applied-for goods in the normal course of trade in Canada since the alleged date of first use [see *Labatt Brewing Co v Benson & Hedges (Canada) Ltd* (1996), 67 CPR (3d) 258 (FCTD)].

[45] Because the application in this case does not state a precise date during the calendar year of 2004, the alleged date of first use is considered by the Registrar to be December 31, 2004 [see *Khan v Turban Brand Products Ltd* (1984), 1 CPR (3d) 388 (TMOB)].

[46] To the extent that the applicant has easier access to the facts, the initial burden incumbent on an opponent regarding a section 30(b) ground of opposition is lighter [see *Tune Masters v Mr P’s Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB)]. An opponent’s burden can be met by reliance on the applicant’s evidence [see *Molson Canada v Anheuser-*

Busch Inc, 2003 FC 1287, 29 CPR (4th) 315; *Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd*, 2014 FC 323, 122 CPR (4th) 389 (*Corporativo de Marcas*)].

[47] However, the opponent may only successfully rely on the applicant's evidence to meet its initial burden if the opponent shows that the applicant's evidence puts into issue the claim set forth in the application [see *Corporativo de Marcas*, at paras 30-38]. Furthermore, while an opponent is entitled to rely on the applicant's evidence to meet its evidential burden, the applicant is under no obligation to evidence its claimed date of first use if this date is not first put into issue by an opponent meeting its evidential burden.

[48] In the present case, the Opponent relies on both parties' evidence to meet its initial evidential burden under section 30(b) of the Act. Thus, the question becomes:

Is the evidence of record sufficient to conclude that the Opponent has discharged its relatively light evidential burden under section 30(b) of the Act?

[49] I will begin by detailing the Opponent's three-prong submissions based on its evidence with respect to the non-renewal of Rainbow Tobacco's tobacco licence [Duchesneau affidavit, Exhibits "C" to "E"].

[50] First, the Opponent submits that the Detailed Affidavit from the judicial review proceeding in the Federal Court indicates that it is Rainbow Tobacco, not the Applicant, that at one time held a tobacco licence pursuant to the *Excise Act, 2001* and thereunder may have manufactured and sold tobacco products. Thus, the Opponent submits that any use of the Mark that may have taken place in Canada would not have been by the Applicant himself, but by Rainbow Tobacco. Furthermore, the Opponent submits that absent evidence of a licensing agreement between the Applicant and Rainbow Tobacco, by which the Applicant maintained control over the character or quality of the goods, any use of the Mark by Rainbow Tobacco did not accrue to the Applicant pursuant to section 50(1) of the Act. The Opponent submits that the business relationship between the Applicant and Rainbow Tobacco is insufficient to establish such a licence, and even more so since the Applicant is not the sole individual operating Rainbow Tobacco, but is instead one of multiple partners.

[51] Second, in the event of a finding that use of the Mark by Rainbow Tobacco is deemed to accrue to the Applicant, the Opponent submits that the evidence establishes that the Applicant has not used the Mark continuously from 2004 (December 31st) to February 4, 2013. More particularly, the Opponent submits that the evidence establishes that Rainbow Tobacco has not held a tobacco licence since January 1, 2012. According to the Opponent, one must infer from this fact that one year prior to the application filing date, Rainbow Tobacco stopped manufacturing and selling tobacco products so as not to contravene sections 25(1) and 29(a) of the *Excise Act, 2001*, and stopped using the Mark because such use would have expressly violated the *Excise Act, 2001*.

[52] Third, the Opponent submits that even if Rainbow Tobacco continued to manufacture, sell and/or distribute tobacco products in association with the Mark after it lost its tobacco licence on January 1, 2012, such use could not have been “use” within the meaning of section 4(1) of the Act because it would have been unlawful. More specifically, it would have been in furtherance of the unlawful manufacturing, sale and distribution of tobacco products to the public in express violation of sections 25(1) and 29(a) of the *Excise Act, 2001*. Citing *McCabe v Yamamoto & Co (America)* (1989), 23 CPR (3d) 498 (FCTD), the Opponent submits that it is trite law that use of a trade-mark must be lawful, that is, in accordance with the Act, other statutory laws and common law, and unlawful use of a trade-mark does not constitute “use” for the purposes of section 30(b) of the Act.

[53] As indicated before, the Applicant disputes the relevancy of the non-renewal of Rainbow Tobacco’s tobacco licence as evidence in the present proceeding. Specifically, at the hearing the Applicant submitted that the evidence relates to a *legal proceeding initiated in 2012 by Rainbow Tobacco* and therefore is “totally insufficient” to put into issue the *Applicant’s continuous use of the Mark since 2004*. Furthermore, the Applicant submitted that the Opponent has failed to provide any evidence contradicting the Applicant’s sworn statement that he has been continuously using the [Mark] in Canada in association with each of the general classes of [goods] described in the application since the stated date of first use” [Applicant affidavit, para 3].

[54] In terms of the relevancy of the evidence, I note that paragraph 6 of the Detailed Affidavit reads as follows [Duchesneau affidavit, Exhibit “D”]:

6. [Rainbow Tobacco] has registered trademarks in respect of its tobacco products, and *its brands Deerfield* and Wolfpack have become valuable and well-known within the native communities; (Emphasis added)

[55] Based on a fair reading, in my view the reference to the brand Deerfield in the above paragraph could be read as a reference to the Mark. Accordingly, I find there is merit to the Opponent’s contention that the evidence with respect to the non-renewal of Rainbow Tobacco’s tobacco licence is relevant in the context of the section 30(b) ground of opposition.

[56] That said, at the hearing I mentioned to the Opponent that the Detailed Affidavit cannot be adduced as evidence of the truth of its content. I raised this point on my own since the Applicant only disputes the relevancy of the evidence, not its probative value.

[57] In reply, the Opponent argued that it is not relying on the Detailed Affidavit for the truth of its content. The Detailed Affidavit is tendered as evidence that any use of the Mark in Canada would have been that of Rainbow Tobacco. The Opponent also stressed that its contention that any use of the Mark would have been by Rainbow Tobacco applies to all of the goods listed in the application. The Opponent essentially argued that in the circumstances of this case it is reasonable to conclude that any of the goods that are not tobacco products are related nonetheless to the tobacco products.

[58] I note in passing that the Opponent in written and oral arguments also made submissions with respect to the T-shirt and the mug shown respectively under Exhibits “B” and “D” to the Applicant’s affidavit, which I reproduce at Schedule 1 to my decision. For the time being, suffice it to say that the Opponent contends that the trade-marks imprinted on the T-shirt and on the mug are too different from the Mark to constitute use thereof.

[59] Finally, the Opponent argued that since the Applicant filed his own affidavit in the present case, the Applicant had the opportunity to refute the evidence tendered by the Opponent to show that any use of the Mark would not have been by the Applicant. The Opponent submitted that not only the Applicant failed to do so, but the Applicant’s evidence supports the

Opponent's case. This comment leads me to turn to the Opponent's further reliance on the Applicant's own affidavit to meet its evidential burden under section 30(b) of the Act.

[60] To begin, I shall discuss the Opponent's submissions with respect to the invoice furnished as Exhibit "A" to the affidavit. For ease of reference, I reproduce at Schedule 2 to my decision the copy of the invoice, which the Applicant describes in his affidavit as an invoice from a printing house dated February 16, 2009. I note that the issuer of the invoice is Emballages Stuart Packaging Inc. (Stuart Packaging).

[61] Along with pointing out that the invoice date is posterior to the claimed date of first use, the Opponent submits that the invoice does not demonstrate use of the Mark, let alone use in association with the goods described in the application. The Opponent submits that the "description" section of the invoice appears to comprise a product/service identification code used by the printing house. While it acknowledges that the code includes the word DEERFIELD, the Opponent submits that it is unclear from the code or the invoice generally whether the Mark was actually printed as part of the transaction; whether the Mark was printed in the design form it has been applied for registration; or onto exactly what medium the Mark might have been printed.

[62] Furthermore, and not less importantly, the Opponent notes that the invoice specifies that the printed material was sold and shipped to "Rainbow". Assuming this "Rainbow" entity is in fact Rainbow Tobacco, the Opponent submits that the invoice puts into issue the use of the Mark *by the Applicant* since the invoice supports a conclusion that Rainbow Tobacco is the entity which would have used the Mark in Canada and, for the reasons discussed above, such use of the Mark would not have accrued to the benefit of the Applicant.

[63] I shall discuss the Opponent's submissions setting aside for the moment those with respect to the invoice not demonstrating use of the Mark as well as those concerning the deviation between the Mark and the trade-marks imprinted on the T-shirt and on the mug.

[64] I disagree with the Opponent's contention that it is unclear from the invoice onto exactly what medium the Mark might have been printed. Indeed, based on a fair reading of the invoice, I conclude that what was sold and shipped to "Rainbow" were packages for king size cigarettes.

[65] However, I tend to agree with the Opponent that the invoice of February 16, 2009, together with the evidence concerning the tobacco licence held by Rainbow Tobacco up to January 1, 2012, supports its contention that any use of the Mark in Canada would have been by Rainbow Tobacco, not the Applicant. In any event, whether or not the Opponent rightly urges me to assume that the “Rainbow” entity is in fact Rainbow Tobacco, it remains that the invoice issued by the printing house references “Rainbow”, not the Applicant.

[66] I am of the view that the reference to “Rainbow” on the invoice results in an ambiguity as to the person or entity that would have been using the Mark as claimed in the application. It is trite law that any ambiguities in an affidavit should be resolved against the party adducing the evidence [see *Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD)]. Furthermore, the Applicant did not argue or contend that a person or entity other than himself had been using the Mark in Canada since 2004 in association with all of the goods listed in the application. To the contrary, as I will discuss below, the Applicant repeatedly argued at the hearing that the evidence establishes his own use of the Mark for all of the goods described in the application. Accordingly, given the circumstances of this case, I consider it reasonable to resolve the ambiguity resulting from the reference to “Rainbow” on the invoice against the Applicant with respect to all the goods listed in the application.

[67] In view of the above, I am satisfied that the Opponent has discharged the relatively light burden resting upon it to put into issue the use of the Mark *by the Applicant* in association with the goods described in the application.

[68] Thus, the next question becomes:

Has the Applicant discharged his legal onus to establish, on a balance of probabilities, his own use of the Mark in Canada in association with the goods described in the application, or use that accrued to his benefit?

[69] To begin with, I note that there is only one paragraph in the Applicant’s written argument dealing with the evidentiary value of the invoice; it reads:

11. The Applicant has submitted evidence as Exhibit “A” of his detailed affidavit, that in [*sic*] February 16, 2009, *he* has ordered and received 220,500 packages bearing the name and design of DEERFIELD. (Emphasis added)

[70] At the hearing, I was expecting the Applicant to address the issue surrounding the reference to “Rainbow” on the invoice, especially since the Applicant had by then had the benefit of the Opponent’s written and oral arguments. However, the Applicant’s oral arguments were essentially that his sworn statement with respect to his continuous use of the Mark had not been challenged through cross-examination, and was supported by Exhibits “A” to “E” to his affidavit. I stress that the Applicant did *not* argue that he had licensed the use of the Mark to any entity, including Rainbow Tobacco. The Applicant rather referenced his own use of the Mark in association with the goods described in the application.

[71] Following the Applicant’s oral arguments, I indicated that the fact that the invoice referenced “Rainbow” as the entity having paid and received the packages could not be ignored. Furthermore, I pointed out to the Applicant the absence of information in his affidavit concerning the relationship between “Rainbow” and the Applicant himself. Thus, given that the Applicant did not contend that Rainbow Tobacco was the “Rainbow” entity referenced on the invoice, I specifically asked the Applicant to explain the reference to “Rainbow”. The Applicant argued that the invoice speaks by itself; the invoice evidences that the Applicant sold cigarettes associated with the Mark to “Rainbow” on February 16, 2009.

[72] I was somewhat puzzled by the Applicant’s response, if only because the Applicant stated in his affidavit that the invoice was from a printing house. When I pointed out that the invoice had not been issued by the Applicant but by Stuart Packaging, the Applicant maintained that the invoice speaks by itself, even to the point of saying that the Applicant and Stuart Packaging were one and the same. When I pointed out that there was no statement in the Applicant’s affidavit to establish a nexus between the Applicant and Stuart Packaging, the Applicant reiterated that his sworn statement with respect to his continuous use of the Mark had not been challenged through cross-examination. I concluded then that there would be no point to pursue my exchange with the Applicant on this issue.

[73] I do not dispute that the Applicant in his affidavit asserts his continuous use of the Mark. Still, given the evidence of record, the Applicant’s repeated oral argument concerning his sworn

statement does not assist his case. With respect, there seems to be a misunderstanding on the Applicant's part on the impact of the invoice he chose to file as Exhibit "A" to his affidavit; the Applicant must live with the consequence of his choice.

[74] Even if it could be inferred from the affidavit, as argued by the Applicant, that the packages sold and shipped on February 16, 2009 displayed the Mark, it remains that the Applicant during his oral arguments did not cogently explain the reference to "Rainbow" on the invoice. Furthermore, the Applicant made contradictory arguments as to what is evidenced by the invoice. As discussed above, at the hearing the Applicant ultimately argued that the invoice evidences that he sold cigarettes associated with the Mark to "Rainbow", whereas in his written argument the Applicant submitted that the invoice evidences that "he has ordered and received 220,500 packages bearing the name and design DEERFIELD". Finally, even though the position taken by the Applicant in his written argument seems more workable, I again stress that the affidavit is silent on the nexus between the Applicant and the "Rainbow" entity referenced on the invoice.

[75] In view of the above, I am not satisfied that the Applicant has discharged his legal onus to show, on a balance of probabilities, his own use of the Mark in Canada as of February 4, 2013 in association with the goods described in the application. Also, I agree with the Opponent that the Applicant's affidavit fails to provide evidence establishing that the Applicant controlled, either directly or indirectly, the character or quality of products that could have been sold in Canada by Rainbow Tobacco. However, as I indicated before, the Applicant does not claim licensed use of the Mark by Rainbow Tobacco. Thus, it is a moot point to engage into a discussion of the evidence not showing use of the Mark accruing to the benefit of the Applicant.

[76] In view of the above, the section 30(b) ground of opposition ultimately succeeds because of the Applicant's failure to discharge his legal onus to establish, on a balance of probabilities, his use of the Mark in Canada. Therefore, it is not necessary to address the parties' representations as to whether or not the evidence establishes that the Mark, as applied for registration, has been used in Canada since 2004 (December 31st) and, if so, whether such use had been continuous up to February 4, 2013.

Compliance with Section 30(i) of the Act

[77] Section 30(i) of the Act requires an applicant to include a statement in the application that the applicant is satisfied that it is entitled to use the trade-mark in Canada. Where an applicant has provided the required statement, the jurisprudence suggests that non-compliance with section 30(i) of the Act can be found only where there are exceptional circumstances that render the applicant's statement untrue such as evidence of bad faith or non-compliance with a federal statute [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155; and *Canada Post Corporation v Registrar of Trade-marks* (1991), 40 CPR (3d) 221 (FCTD)].

[78] In the present case, the Opponent alleges that the Applicant could not have been satisfied that he was entitled to use the Mark in association with the goods listed in the application because the Applicant's manufacture, distribution, and/or sale of products bearing the Mark would be in violation of the federal *Excise Act, 2001* and *Tobacco Act*.

[79] I note that although the pleading broadly references "the [goods] listed in the application", at the hearing the Opponent specified that the ground of opposition applies only to tobacco products for which the manufacture, distribution, and/or sale by the Applicant in association with the Mark would be in violation of the *Excise Act, 2001* and *Tobacco Act*. Still, the Opponent remained vague about precisely which of the goods would be subject to the *Excise Act, 2001* and *Tobacco Act*.

[80] In addition, in the present case, the Opponent neither in its written argument nor at the hearing made any submissions in support of the part of the ground of opposition alleging that the use of the Mark would be in violation of the *Tobacco Act*.

[81] Accordingly, absent representations from the Opponent, I find that the Opponent has failed to make a *prima facie* case that the Applicant could not have been satisfied, as of February 4, 2013, that he was entitled to use the Mark in Canada in view of the provisions of the *Tobacco Act*.

[82] I now turn to the consideration of the Opponent's submissions in support of the part of the ground of opposition alleging that the use of the Mark would be in violation of the *Excise Act, 2001*.

[83] To discharge its initial evidential burden, the Opponent relies on certain sections of the *Excise Act, 2001* [Duchesneau affidavit, Exhibit “G”]. However, not all of the sections of this act introduced into evidence by the Opponent need to be discussed. Therefore, for ease of reference, I reproduce the most relevant sections of the *Excise Act, 2001* at Schedule 3 to my decision.

[84] Furthermore, absent specificity in the pleading, I have considered the statement of goods in the application taking into account the definition of “tobacco product” in section 2 of the *Excise Act, 2001*. I conclude that the provisions of the *Excise Act, 2001* apply to the goods “cigarettes, raw or manufactured; tobacco products, namely cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco” listed in the application.

[85] I would add that I conclude that the provisions of the *Excise Act, 2001* do not apply to the goods “tobacco substitutes (not for medical purposes)” listed in the application after having checked the online *Canadian Oxford Dictionary* (2 ed.), where I found the following definitions for “substitute”:

1. [also *attributive*] a thing that is or may be used in place of another, often to serve the same function but with a slightly different effect.
 - an artificial substance used as an alternative to a natural substance: *salt substitute*.

[86] More particularly, since “substitute” is defined as *an artificial substance used as an alternative to a natural substance*, I find it may be reasonably concluded that “tobacco substitutes (not for medical purposes)” would not be articles manufactured in whole or in part from raw leaf tobacco and, therefore, such goods do not fall into the definition of “tobacco product” under the *Excise 2001, Act*. I stress that I reach this conclusion solely for the purposes of the consideration of the section 30(i) ground of opposition in the present case.

[87] Since the Applicant does not argue that he had licensed the use of the Mark to any entity, including Rainbow Tobacco, I will not address the Opponent’s submissions premised on the assumption that Rainbow Tobacco would have been using the Mark in Canada despite non-renewal of its tobacco licence as of January 1, 2012. Rather, I will address the Opponent’s

subsidiary submissions premised on the assumption that the Applicant himself would have been using the Mark.

[88] The Opponent submits that there is no evidence to suggest that the Applicant himself possessed a tobacco licence from the CRA at any time, including as of February 4, 2013. The Opponent considers that this suffices to meet its evidential burden under section 30(i) of the Act (citing *Interprovincial Lottery Corporation v Western Gaming Systems Inc*, 2002 CanLII 61461, 25 CPR (4th) 572 (TMOB); and *Interprovincial Lottery Corporation v Monetary Capital Corporation*, 2006 CanLII 80348, 51 CPR (4th) 447 (TMOB)).

[89] For his part, the Applicant submits that the Opponent has not discharged its evidential burden. In his written argument, the Applicant submitted: “In the absence of evidence to the contrary, it is reasonable to assume that the Applicant will comply with the provisions of any relevant statutes and regulations of any federal law;” (citing *Star Island Entertainment, LLC v Provent Holdings Ltd*, 2015 TMOB 24, 132 CPR (4th) 210; *Ontario Lottery Corporation v Arkay Marketing Associates Inc*, 1993 CanLII 8108 (TMOB); and *Cadbury Confectionery Canada Inc (Cadbury Trebor Allan Inc) v Cannabis Crunch*, 2002 CanLII 61505 (TMOB)). These submissions were reiterated by the Applicant at the hearing.

[90] It is trite law that each case must be decided based upon its own merit. In my view, it would not be appropriate to draw parallels between the present case and the cases cited by the Applicant because in each of those cases the application was based upon proposed use of the trade-mark.

[91] In the present case, the Opponent’s evidence establishes that a person who does not possess a tobacco license is prohibited from manufacturing or selling tobacco products in Canada.

[92] The Mark has been applied for registration based upon its use in Canada since 2004. Presumably, when the Applicant filed the application on February 4, 2013, he should already have been in possession of a licence under which he could legally sell tobacco products in Canada. Thus, it should have been a fairly simple and straightforward matter for the Applicant to provide evidence that he had been granted a licence to sell tobacco products in Canada. Yet, the

Applicant did not evidence that he had been granted such a licence despite the Opponent having made out a *prima facie* case of a potential contravention to the *Excise Act, 2001*.

[93] In view of the above, I find that the Applicant has failed to discharge his legal onus to establish, on a balance of probabilities, that he could have been satisfied, as of February 4, 2013, that he was entitled to use the Mark in Canada in association with “cigarettes, raw or manufactured; tobacco products, namely cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco”.

[94] Accordingly, the section 30(i) ground of opposition succeeds to the extent that it alleges that the use of the Mark would be in violation of the *Excise Act, 2001*, and only with respect to the following goods:

Cigarettes, raw or manufactured; tobacco products, namely cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco [...]

Disposition

[95] In view of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse application No. 1,612,513 under section 38(8) of the Act.

Céline Tremblay
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Schedule 1

Exhibit "B" to the affidavit of the Applicant

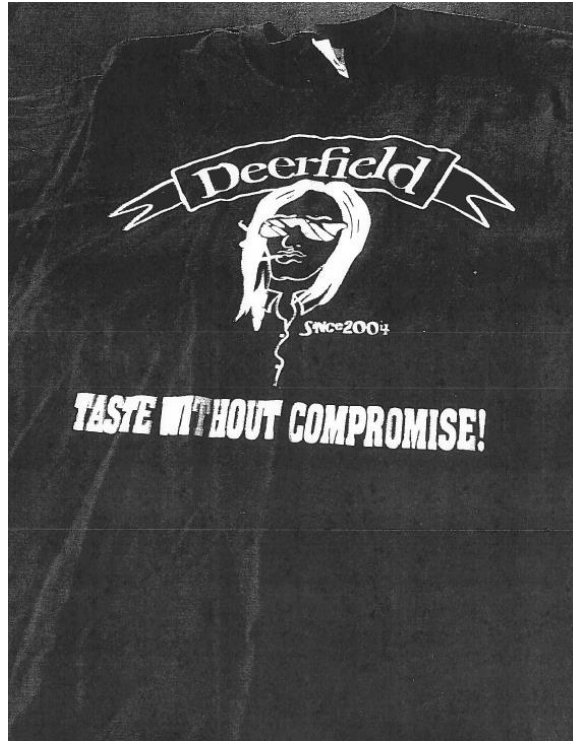


Exhibit "D" to the affidavit of the Applicant



Schedule 2

Exhibit "A" to the affidavit of the Applicant



EMBALLAGES
STUART
PACKAGING

Emballages Stuart Packaging Inc.
5454 Côte-de-Liesse
Town of Mount-Royal QC H4P 1A5
CANADA

Tel: (514) 344-5000
Fax: (514) 344-4949

INVOICE

Ship Date	Invoice Date	Invoice Number
02/16/2009	02/16/2009	55032

Customer No.	Sales Person	Terms	Bill Of Lading	Shipped Via	FOB
RAI100	Stuart Goldman	NET 30	31439	Lionel	FOB Shipping Point
Sold To: RAINBOW 2000 ROUTE 138 KAHNAWAKE QUEBEC			Shipped To: RAINBOW 2000 ROUTE 138 KAHNAWAKE QUEBEC		

Description	Quantity Shipped	Price / Per	Net	Tax	Value
S05544R2-028 DEERMENKS25SL DEERFIELD KS 25 SLIDE AND SHELL Doc# 023028 AND 023094 Your Ref#	220,500	75.00/M	16,537.50	XPT 0.00 0.00	16,537.50

Remit To: Emballages Stuart Packaging Inc. 5454 Côte-de-Liesse Town of Mount-Royal QC H4P 1A5	TOTAL INVOICE AMOUNT	16,537.50	0.00	16,537.50
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SPECIAL INSTRUCTIONS

Schedule 3

Provisions of the Excise Act, 2001, SC 2002, c 22

2 The definitions in this section apply in this Act.

[...]

“manufactured tobacco” means every article, other than a cigar or packaged raw leaf tobacco, that is manufactured in whole or in part from raw leaf tobacco by any process.

[...]

“tobacco product” means manufactured tobacco, packaged raw leaf tobacco or cigars.

[...]

“raw leaf tobacco” means unmanufactured tobacco or the leaves and stems of the tobacco plant

14 (1) Subject to the regulations, on application, the Minister may issue to a person

[...]

(d) a tobacco licence, authorizing the person to manufacture tobacco products; or

[...]

25 (1) No person shall, other than in accordance with a tobacco licence issued to the person, manufacture a tobacco product.

25.1 (1) On application in the prescribed form and manner, the Minister may issue, to a tobacco licensee or a prescribed person who is importing tobacco products, stamps the purpose of which is to indicate that duty, other than special duty, has been paid on a tobacco product.

27 No person shall package or stamp any raw leaf tobacco or tobacco product unless the person

(a) is a tobacco licensee; or

(b) is the importer or owner of the tobacco or product and it has been placed in a sufferance warehouse for the purpose of being stamped.

29 No person shall purchase or receive for sale a tobacco product

(a) from a manufacturer who the person knows, or ought to know, is not a tobacco licensee;

[...]

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE: 2016-04-07

APPEARANCES

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FOR THE OPPONENT

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FOR THE APPLICANT

AGENTS OF RECORD

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Colby Monet S.E.N.C.R.L. / L.L.P.

FOR THE APPLICANT