

**IN THE MATTER OF AN OPPOSITION by H & R Block, Inc.  
to application No. 700,981 for the trade-mark RAPID REFUND  
TAX SERVICES filed by U & R Tax Services Ltd.**

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On March 16, 1992, the applicant, U & R Tax Services Ltd., filed an application to register the trade-mark RAPID REFUND TAX SERVICES based on use in Canada since at least as early as April of 1983 in association with “the preparation and electronic filing of income tax returns”. The application as filed included a disclaimer to the word TAX, the word SERVICES and the word REFUND apart from the trade-mark as a whole.

The present application was advertised for opposition purposes in the *Trade-marks Journal* of May 19, 1993 and the opponent, H & R Block, Inc., filed a statement of opposition on May 20, 1993, a copy of which was forwarded to the applicant on July 22, 1993. The first ground of opposition is that the application does not conform to the provisions of Subsection 30(a) of the *Trade-marks Act* in that the services defined in the application could not possibly have been performed at the date of first use alleged, from which it follows that the statement of services could not possibly be correct. The second ground is that the application does not comply with the provisions of Subsection 30(b) of the *Act* in that the “application [sic] has not used the alleged trade-mark in association with the alleged services since the claimed date of first use, or at all”. As its final ground, the opponent alleged that the application does not conform to the requirements of Subsection 30(i) of the *Trade-marks Act* in that the applicant must have been aware of all the facts and defects in the application set out in the statement of opposition, and therefore could not possibly be satisfied that it was entitled to use the trade-mark RAPID REFUND TAX SERVICES in association with the services described in the application.

The applicant filed and served a counter statement in which it effectively denied the opponent’s grounds of opposition. As its evidence, the applicant filed the affidavit of Jill Parker, the District Manager of the opponent's wholly-owned subsidiary, H & R Block Canada, Inc. The applicant submitted as its evidence the affidavit of Greg Davenport, General Manager of Tax Depot, Inc., licensee of the trade-mark RAPID REFUND TAX SERVICES. Mr. Davenport was cross-examined on his affidavit, the transcript of the cross-examination and the exhibits thereto forming

part of the opposition record. The opponent also submitted the affidavit of Darcia Clingingsmith as evidence in reply. Both parties filed a written argument and both were represented at an oral hearing.

During the opposition, the opponent advised the Opposition Board that it had assigned all its trade-mark rights in Canada to HRB Royalty, Inc., a Delaware corporation, and requested that this opposition continue in the name of HRB Royalty, Inc. As the applicant made no submissions concerning the opponent's request, the Board advised the parties that the opposition would continue in the name of HRB Royalty, Inc. as opponent. Furthermore, no submissions were made by the applicant at the oral hearing concerning this issue. Nevertheless, I would note that H & R Block, Inc. did not rely upon any trade-mark rights in its original statement of opposition and the assignment of trade-marks rights to HRB Royalty, Inc. was therefore of no relevance to this opposition continuing in the name of HRB Royalty, Inc. Moreover, while the Registrar permits the assignee of trade-mark rights identified in a statement of opposition to continue an opposition, it is arguable that an opposition which is not based on any trade-mark or trade-name rights cannot be assigned, bearing in mind that there are no provisions in the *Trade-marks Act* or *Trade-marks Regulations* relating to the assignment of an opponent's rights in an opposition proceeding [see *Clarco Communications Ltd. v. Sassy Publishers Inc.*, 54 C.P.R. (3d) 418; and *United Artists Corp. v. Pink Panther Beauty Corp. et al*, 67 C.P.R. (3d) 216].

The applicant submitted an amended application on August 17, 1993 in which it deleted the word "electronic" from its statement of services. However, the Opposition Board refused the applicant's amended application by way of the Office letter of November 10, 1993. The applicant then submitted a second amended application in which it amended its statement of services to read: "preparation of income tax returns". The Board accepted this amendment by way of the Office letter dated February 11, 1994. The applicant filed yet a third amended application on December 15, 1994 in which it included the name of Donald Jacks Ltd. as its predecessor-in-title. The Board accepted this amendment by way of the Office letter of January 31, 1995.

The applicant filed an assignment document dated December 21, 1994 in which it assigned its rights in the present application to Data Tax Business Services Ltd. The Trade-marks Office

subsequently recorded the assignment and Data Tax Business Services Ltd. now appears as the applicant of record in the present application. The opponent requested leave to amend its statement of opposition on July 15, 1996 in order to allege that Data Tax Business Services Ltd. is not the person entitled to registration of the trade-mark RAPID REFUND TAX SERVICES in that the original applicant, U & R Tax Services Ltd. was dissolved as of May 13, 1994 and the assignment to Data Tax was effected after the date of dissolution and is therefore invalid and of no effect. Further, according to the opponent, in view of the dissolution, the original applicant no longer has any legal existence and Data Tax Business Services Ltd. has no valid legal right to the trade-mark. The Opposition Board granted the opponent leave to amend its statement of opposition pursuant to Rule 40 of the *Trade-marks Regulations* by way of the Office letter of November 15, 1996.

On November 12, 1997, two days prior to the oral hearing, the opponent filed a further request for leave to amend its statement of opposition in order to allege that neither the original applicant nor its alleged predecessor-in-title, Donald Jacks Ltd., has used the mark RAPID REFUND TAX SERVICES in association with the preparation of income tax returns since the claimed date of first use or at all. The opponent further alleged that Donald Jacks Ltd., by that name or any similar name, is not a predecessor-in-title of the original applicant, but is merely a prior name of the said applicant, U & R Tax Services Ltd. Both parties made their submissions concerning the opponent's Rule 40 request at the oral hearing and I advised the parties that I would deal with the request as part of the final opposition decision.

The applicant submitted that it would be prejudiced were leave granted to the opponent in that it would be precluded from amending its counter statement. However, the applicant did not bother to amend its counter statement in response to the amended statement of opposition of July 15, 1996. In any event, the applicant has contested each of the opponent's grounds asserted in the amended statement of opposition of November 12, 1997 and therefore need not file an amended counter statement at this stage of the proceeding. Also, it is clear from the opposition record that the applicant was aware that the opponent was challenging the date of first use of the trade-mark RAPID REFUND TAX SERVICES, be that use by the U & R Tax Services Ltd. or Donald Jacks Ltd. Furthermore, Donald G. Jacks Ltd., which is the same entity as Donald Jacks Ltd., merely changed

its name to U & R Tax Services Ltd. and is therefore not a 'predecessor-in-title' to U & R Tax Services Ltd. Consequently, there has been no change in applicant in this opposition and the Subsection 30(b) ground as pleaded in the original statement of opposition applies to the applicant's amended application. Even though the amendment to the statement of opposition is of little relevance to the outcome of this opposition and is being sought at a very late stage of the proceeding, I have nevertheless concluded that the opponent should be granted leave to amend its statement of opposition pursuant to Rule 40 of the *Trade-marks Regulations*.

While the legal burden is upon the applicant to show that its application complies with Section 30 of the *Trade-marks Act*, there is an initial evidential burden on the opponent to establish the facts relied upon in support of each of its Section 30 grounds [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330; and *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R.(3d) 293]. Further, the material time for considering the circumstances respecting the issues of non-compliance with Section 30 of the *Act* is the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R.(3d) 469, at p. 475]. At the oral hearing, the opponent withdrew its first ground of opposition based on Subsection 30(a) of the *Trade-marks Act*. Additionally, no evidence has been furnished by the opponent to show that, as of March 16, 1992, the applicant was aware that there were defects in its application which would have precluded it from making the statement in its application that it was satisfied that it was entitled to use the trade-mark RAPID REFUND TAX SERVICES in Canada. I have therefore dismissed the third ground of opposition based on Subsection 30(i) of the *Act*.

With respect to the second ground, the evidential burden on the opponent respecting the issue of the applicant's non-compliance with Section 30(b) of the *Act* is a light one [see *Tune Masters v. Mr. P's Mastertune*, 10 C.P.R.(3d) 84, at p. 89]. Furthermore, Subsection 30(b) requires that there be continuous use of the applied for trade-mark in the normal course of trade since the date claimed [see *Labatt Brewing Company Limited v. Benson & Hedges (Canada) Limited and Molson Breweries, a Partnership*, 67 C.P.R.(3d) 258, at p. 262]. While Subsection 4(2) of the *Trade-marks Act* does not require that there be use 'in the normal course of trade' in relation to services, I am of the view that the requirement that the use of the trade-mark be continuous still applies to services.

Moreover, the opponent's evidential burden can be met by reference to the Davenport affidavit and the transcript of his cross-examination [see, in this regard, *Labatt Brewing Company Limited v. Molson Breweries, a Partnership*, 68 C.P.R.(3d) 216, at p. 230].

With respect to the initial burden on it, the opponent submitted the affidavit of Jill Parker District Manager of H & R Block Canada, Inc. in Winnipeg, Manitoba. Ms. Parker states that she is familiar with U & R Tax Services Ltd. and that she is not aware of any advertisement of the mark RAPID REFUND TAX SERVICES by U & R Tax Services Ltd., or any other mark consisting of or containing the words RAPID REFUND before March, 1990. Ms. Parker also states that she searched the Winnipeg Yellow Pages directories from 1982 to 1990 under the headings "Tax Consultants" and "Tax Return Preparation" and found no reference to the applicant's mark. Ms. Parker's evidence was not challenged by way of cross-examination, nor did the applicant submit evidence to contradict any of Ms. Parker's statements. I have concluded, therefore, that the opponent has met the evidential burden on it in respect of the Subsection 30(b) ground. As a result, the legal burden is upon the applicant to establish that it has complied with Subsection 30(b) of the *Trade-marks Act*.

Having regard to the transcript of the Davenport cross-examination and the accompanying exhibits to the cross-examination, it is clear that Donald G. Jacks Ltd. has been incorrectly identified as Donald Jacks Ltd. in the applicant's amended application. Furthermore, as noted above, Donald G. Jacks Ltd. is not, in fact, a predecessor-in-title of U & R Tax Services Ltd. However, I do not consider either of these matters is a basis upon which I am prepared to refuse the present application under Subsection 30(b) of the *Act*.

The applicant has relied upon the Davenport affidavit to meet its legal burden in relation to the Subsection 30(b) ground. However, the documents submitted as exhibits to the Davenport affidavit show use of RAPID REFUND TAX SERVICES as a trade-name and not as a trade-mark as applied to the preparation of income tax returns. Indeed, the only documents annexed to the Davenport affidavit of relevance to this issue are the Buying Agreement, the Power of Attorney and the Authorization form which comprise part of Exhibit D. However, these documents show that

RAPID REFUND TAX SERVICES has been used as a trade-name by the applicant and would be perceived as such by the applicant's clients. Consequently, the evidence submitted by the applicant does not support its claimed date of first use of the trade-mark RAPID REFUND TAX SERVICES as applied to the preparation of income tax returns.

Apart from the above, the evidence of record, including the transcript of the Davenport cross-examination and the exhibits thereto, points to there being other than continuous use of RAPID REFUND TAX SERVICES either as a trade-name or as a trade-mark applied to the preparation of income tax returns. Moreover, the evidence establishes that U & R Tax Services Ltd. used the name RAPID REFUND TAX SERVICES only in 1983 and only at one location in Winnipeg on a pilot project or test basis. Further, there is no evidence that the applicant used the name or mark RAPID REFUND TAX SERVICES in the marketplace in Canada subsequent to 1983. Thus, the applicant has failed to establish that there has been continuous use of the applied for trade-mark in Canada in association with the preparation of income tax returns since the claimed date of first use [see *Labatt Brewing Company Limited v. Benson & Hedges (Canada) Limited and Molson Breweries, a Partnership*, 67 C.P.R.(3d) 258, at p. 262].

In view of the above, I have concluded that the applicant has failed to meet the legal burden upon it in respect of the second ground. Consequently, this ground of opposition is successful in that the present application is contrary to Subsection 30(b) of the *Trade-marks Act*.

As its final ground, the opponent alleged that the applicant is not the person entitled to registration of the trade-mark RAPID REFUND TAX SERVICES in that the original applicant, U & R Tax Services Ltd. was dissolved as of May 13, 1994 and the assignment to Data Tax was effected after the date of dissolution and is therefore invalid and of no effect. As well, the opponent alleged that, in view of the dissolution, the original applicant no longer has any legal existence and Data Tax Business Services Ltd. has no valid legal right to the trade-mark. The transcript of the Davenport affidavit and the exhibits thereto confirm that U & R Tax Services Ltd. was dissolved on May 13, 1994 and, in view of Subsection 203(6) of the *Manitoba Corporations Act*, U & R Tax Services Ltd. ceased to exist subsequent to that date. Thus, U & R Tax Services Ltd. was not in

existence as of December 21, 1994, the date of the assignment of rights in the mark or name RAPID REFUND TAX SERVICES to Data Tax Business Services Ltd. As a result, Data Tax Business Services Ltd. could not have acquired any rights in the mark or name RAPID REFUND TAX SERVICES. Further, Paragraphs 219(2)(a) or (c) of the *Manitoba Corporations Act* are of no assistance to the applicant as these sections relate to the availability of assets to satisfy any judgment or order against a dissolved company. Consequently, Data Tax Business Services Ltd. is not the person entitled to registration of the trade-mark RAPID REFUND TAX SERVICES and this ground of opposition is also successful.

In view of the above, and having been delegated by the Registrar of Trade-marks by virtue of Subsection 63(3) of the *Trade-marks Act*, I refuse the applicant's application pursuant to Subsection 38(8) of the *Trade-marks Act*.

DATED AT HULL, QUEBEC, THIS 2nd DAY OF DECEMBER, 1997.

G.W. Partington  
Chairperson  
Trade-marks Opposition Board