



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

Citation: 2013 TMOB 192
Date of Decision: 2013-11-06

**IN THE MATTER OF AN OPPOSITION
by Taste of BC Fine Foods Ltd. to
application No. 1,435,428 for the trade-
mark TASTE OF B.C. in the name of
Karry Chi-Wai Au-Yueng**

Introduction

[1] This opposition relates to an application filed by Karry Chi-Wai Au-Yueng (the Applicant) on April 22, 2009 to register the trade-mark TASTE OF B.C. (the Mark) based on use since August 16, 2008 in association with chocolate, candies, cookies, chips, smoke (sic) salmon, chowders, quiche, pastry, dried fruits and jerkies (the Wares).

[2] The grounds of opposition raised by Taste of BC Fine Foods Ltd. (the Opponent) in a statement of opposition dated October 27, 2011 are based on sections 30(b), (i), 16(1)(a) and (c), and 2 (distinctiveness) of the *Trade-marks Act* RSC 1985, c T-13, (the Act). The specific grounds of opposition are detailed in Schedule A annexed to this decision.

[3] The first issue is to determine if the Opponent has furnished sufficient evidence to support each of its grounds of opposition. I conclude for the reasons detailed hereinafter that the Opponent has met its initial burden with respect to all grounds of opposition based on section 30 and they are maintained as the Applicant has not discharged his burden to prove that the application complies with the requirements of section 30(b) and (i) of the Act.

Legal Onus and Burden of Proof

[4] There is an initial evidential burden on the Opponent to file sufficient admissible evidence from which it could reasonably be concluded that there exists enough facts to support each ground of opposition pleaded. If those facts are proven, then the Applicant must show that the application complies with the provisions of the Act and the grounds of opposition raised by the Opponent should not prevent the registration of the trade-mark applied for [see *Joseph E Seagram & Sons Ltd et al v Seagram Real Estate Ltd* (1984), 3 CPR (3d) 325 (TMOB); *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) and *Wrangler Apparel Corp v The Timberland Company* (2005), 41 CPR (4th) 223 (FCTD)].

Preliminary Remarks

[5] In coming to my decision I have considered all of the evidence and submissions made by the parties; however, only the portions of the evidence and submissions which are directly relevant to my findings will be discussed in the body of my decision.

[6] The hearing in this proceeding was cancelled once for the following reasons. When the Registrar sent a notice to the parties informing them of the date, place and time of the hearing, the parties were self-represented. On the day of the hearing the Applicant requested a postponement in order to be represented by an agent just retained who had not had the chance to review the file. This information was corroborated by the agent. The hearing was rescheduled to take place one month later. In the meantime it was discovered that the Applicant's agent was no longer registered as an agent with the Canadian Intellectual Property Office. The Registrar informed the Applicant of the situation well prior to the new scheduled date of hearing in order to allow the Applicant to find another registered agent. Ultimately the Applicant represented himself at the hearing.

[7] I informed the Applicant that I could not take into consideration any material facts that were not in evidence in the file. I explained to the Applicant that the purpose of a hearing is to permit the parties to present their argumentation and not to submit new facts. Therefore the parties were limited to the evidence already filed namely the affidavit of Mr. Harold Steven Atkinson on behalf of the Opponent and the affidavit of Ms. Penelope Brady for the Applicant.

[8] In Mr. Atkinson's affidavit reference is made to the trade-mark TASTE OF BC while some labels bear the trade-mark A TASTE OF BC. I do not consider the use of the latter to be a different trade-mark than TASTE OF BC. [see *Registrar of Trade-marks v Compagnie Internationale pour l'informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA)].

Ground of Opposition Based on Section 30(b) of the Act

[9] The Opponent has an initial burden to file some evidence to support this ground of opposition. Alternatively, the Opponent may rely on the Applicant's evidence to meet its light evidential burden [see *York Barbell Holdings Ltd v ICON Health & Fitness, Inc* (2001), 13 CPR (4th) 156 (TMOB)].

[10] At the hearing the Opponent argued that:

- i) Any use of the Mark was under license granted by the Opponent and thus could not have accrued to the Applicant;
- ii) Even if there was use of the Mark, it was by Delane Industry Co. (Delane), a separate legal entity different from the Applicant. There is no evidence of a license or an assignment that would lead to a conclusion that any use of the Mark by Delane accrued to the Applicant;
- iii) If there was any use of the Mark by the Applicant, it was in association with services and not the Wares.

[11] I will focus my analysis of the evidence contained in Mr. Atkinson's affidavit in relation to the first two arguments. Such evidence has not been contradicted by the Applicant. Representing himself, the Applicant tried to 'testify' at the hearing. I have not taken into consideration any statements he made at the hearing in an attempt to contradict the Opponent's evidence in the record.

[12] Mr. Atkinson describes himself as the Opponent's President and has been so since its incorporation on November 17, 2004. He alleges that in the Spring of 2001 he began to sell smoked salmon products at the 'Marketplace' shops at the Swartz Bay ferry terminal near

Sidney, British Columbia. Then on December 14, 2001 he alleges that he and his wife registered a partnership under the name 'Nachalah Farm' on the British Columbia Corporate Registry.

[13] Mr. Atkinson then explains that Nachalah Farm began in 2001 to use the trade-mark TASTE OF BC at the Swartz Bay Marketplace during the high tourist season between April and October in each of the years 2002, 2003, and 2004 in association with salmon and smoked salmon products. He then goes on to allege that Nachalah Farm expanded its business to a second location at the Departure Bay Ferry Terminal in Nanaimo, British Columbia and a third location at the Tsawwassen Ferry Terminal in Tsawwassen, British Columbia. It also expanded its line of products to include several variations and flavours of 'retort' (shelf-stable) packaged smoked salmon; fresh hot and cold smoked salmon; smoked salmon candy; and salmon jerky. He filed copies of labels used on products sold by Nachalah Farm during that period as exhibit 2 to his affidavit.

[14] Mr. Atkinson then alleges that on November 17, 2004 he and his wife incorporated the Opponent in British Columbia and he filed a copy of the Certificate of Incorporation. He states that on June 21, 2005 the Opponent opened a retail store and fast food outlet in the Tsawwassen Quay Market under the name TASTE OF BC. He filed copies of photographs he took of the signage used at the store in 2005. He further states that the Opponent continued to operate its Swartz Bay and Departure Bay locations during the high tourist season of April to October. He states that all of these locations displayed signage containing the operating name TASTE OF BC.

[15] Mr. Atkinson affirms that in June 2008 the Applicant expressed interest in purchasing the Opponent's TASTE OF BC store located at Tsawwassen Quay. On August 4, 2008 a Contract for Purchase and Sale (CPS) was executed between Delane and the Opponent to purchase the Opponent's Tsawwassen store assets. Mr. Atkinson alleges, and this is not contradicted, that the Applicant owns Delane and in fact he signed the CPS on behalf of Delane.

[16] Clauses 9 and 10(a) of the CPS reads:

9. Conditions

This is a sale of assets only. The Vendor agrees to license the use of the name 'Taste of BC' and all registered and unregistered trademarks connected to the

Taste of BC Brand, to the purchaser for a period not exceeding six months from the completion date. Use of trademarks and name shall be restricted to the operation of the Taste of BC store at Tsawwassen Quay only and shall not be affixed to any products or items for sale unless specifically approved in writing by Taste of BC Fine Foods Ltd.

10. General

(a) There are no warranties, representations, guarantees, promises, or agreements other than those set out therein, all of which shall survive the completion of the sale.

[17] Thereafter on August 16, 2008 there were further documents signed by the Opponent and Delane, including an 'Agreement' (exhibit 15 to Mr. Atkinson's affidavit) prepared by the Applicant's attorney. The Applicant signed the 'Agreement' on behalf of Delane. Six months later a dispute arose between the Opponent and Delane on the use by the latter of the trade-mark TASTE OF BC. The Opponent presented an offer to renew the license referred above but the Applicant, on behalf of Delane, refused to sign it on the basis that the 'Agreement' was a sale of assets and goodwill, including the Mark, and did not contain any provisions concerning a license to use the trade-mark TASTE OF BC.

[18] This dispute between the parties led to legal proceedings taken by the Opponent before the Provincial Court of British Columbia. The court rendered a judgment on November 1, 2010. In his judgment the Honorable Judge Chen made the following findings:

[23] I am not prepared to find that that first agreement is of no force and effect and was completely replaced, notwithstanding the claimant's evidence in cross-examination. I find that both parties acted in reliance on that agreement.

(...)

[24] (...) I do find that the claimant only agreed to the use of this trade name for a limited period of time, and I do find that is reflected in the first agreement.

[19] The 'first agreement' referred thereto was the CPS. The Court condemned Delane to pay damages for the use of the Mark by Delane after the expiry of the six months set out in the license provided in the CPS.

[20] I note that the present application (April 22, 2009) was filed subsequent to the signing of the CPS (August 4, 2008). Under the CPS Delane undertook to use the Mark as a licensee for the operation of the retail store located in Tsawwassen for a six months period and not to use the Mark in association with any products unless specifically approved by the Opponent.

[21] An additional important fact is that the claimed date of first use (August 16, 2008) coincides with the first day that Delane operated the Tsawwassen retail store.

[22] With this background in mind, the Opponent argues that any use of the Mark by the Applicant starting at the claimed date of first use was under license and accrued to the Opponent by virtue of section 50 of the Act. I agree. When the Opponent sold the assets of the Tsawwassen retail store it provided to the Applicant a 'phase-out' period of six months as the Opponent was still operating its two other stores under the Mark.

[23] If I was wrong in concluding that any use of the Mark by the Applicant as of the claimed date of first use was use by an authorised licensee of the Opponent, then the use of the Mark as of that date was by Delane and not the Applicant. There is no allegation in the application that the Applicant relies on the use of the Mark by a predecessor in title or a licensee. It is clear from the facts described above that any use of the Mark was by Delane and not the Applicant. There is no evidence in the record that the Applicant granted a license to Delane to use the Mark or; that Delane assigned to the Applicant all its rights and interest in the Mark as of the claimed date of first use of the Mark.

[24] The Opponent has met its initial burden of proof. Therefore the Applicant had to demonstrate his use of the Mark as of the claimed date of first use in association with the Wares. The only evidence filed by the Applicant relates to the Opponent's business through the affidavit of Ms. Brady, employed as a Registered Trade-mark Agent with the Applicant's agent firm at the time of execution of her affidavit. None of its content relates to the use of the Mark by the Applicant. The Applicant has thus failed to show his use of the Mark as of the claimed date of first use in association with the Wares.

[25] For all of these reasons I maintain this ground of opposition.

Ground of Opposition Based on Section 30(i) of the Act

[26] Section 30(i) of the Act only requires the Applicant to declare that it is satisfied that it is entitled to use the Mark in Canada in association with the wares and services described in the application. Such a statement is included in this application. The issue now is whether the Applicant has truthfully made such a statement at the filing date of the application?

[27] The present situation is analogous to the case of *Lifestyles Improvement Centers, LLP v Chorney*, 2007 CanLII 80905 (TMOB). In that case a former licensee applied to register the licensed trade-mark. The applicant's licensor was declared bankrupt in the United States after the applicant applied to register the trade-mark. The opponent claimed to own the rights in the mark applied for after acquiring the assets of the applicant's licensor in US bankruptcy proceedings. One of the contracts signed by the applicant contained a clause wherein the applicant undertook not to register the licensed trade-marks.

[28] Board Member Jill Bradbury, when assessing the ground of opposition based on section 30(i) of the Act, stated:

s. 30(i) simply requires the Applicant to state that she was satisfied that she was entitled to use the Mark in Canada. The present application contains such a statement but it is nevertheless possible to enquire whether it was reasonable for the Applicant to be satisfied that she was so entitled.

[29] After reviewing the relevant facts related to this ground of opposition she concluded:

Nevertheless, it is clear from the case law that licensees, distributors and the like should not be allowed to usurp their principle's trade-marks [see for example, *McCabe v. Yamamoto & Co. (America) reflex*, (1989), 23 C.P.R. (3d) 498 (F.C.T.D.)]. I do not wish to use the term "bad faith" in the present circumstances, since it is not clear to me that Ms. Chorney understood that it may have been inappropriate for her to file the present application. Nevertheless, it appears to me that there was a significant onus on Ms. Chorney to justify that it is appropriate for her to be able to not only monopolize the Mark in the area in which she may have developed a reputation, but to also monopolize it throughout Canada. I find that she has not met this onus. The s. 30(i) ground therefore succeeds.

[30] Similarly in the present case I do not wish to use the term ‘bad faith’ with respect to the Applicant’s declaration contained in this application that he was satisfied that he was entitled to use the Mark in Canada.

[31] In his affidavit Mr. Atkinson affirms that, prior to the expiry of the license included in the CPS, the Opponent offered Delane to renew the license. He filed a copy of a document entitled ‘Offer to Renew’ in which reference is made to the expiry of the term of the license on February 15, 2009.

[32] Also Mr. Atkinson filed an extract of the register concerning application 1411391 filed by the Applicant on September 22, 2008 for the registration of the trade-mark CANADIAN DELIGHT in association with wares similar to the Wares. This application was filed on the basis of proposed use.

[33] Mr. Atkinson alleges that the court proceedings described above were lunched on April 22, 2009 which, coincidentally or not, happens to also be the filing date of the present application. It was clear that on or about April 22, 2009 the right to the use of the Mark by the Applicant and/or Delane was contested by the Opponent and that there was a dispute between the Opponent and the Applicant as to which contract (the CPS and/or the ‘Agreement’) was in force and which assets were transferred from the Opponent to Delane in August 2008.

[34] Applying the principle set out in *Chorney* above, the Applicant had a significant onus to justify that it was appropriate for him to obtain the registration of the Mark for the Wares. At the filing date of the application the Opponent was contesting the use of the Mark by Delane. Also the Applicant knew that the Opponent was still operating two retail stores under the Mark where most of the Wares were sold to its customers.

[35] Given the clause in the CPS concerning the undertaking by Delane not to use the Mark in association with any products; the filing of an application by the Applicant shortly after the execution of the CPS to register a trade-mark other than the Mark; the Opponent’s offer to renew the license for the use of the Mark in association with the operation of the Tsawwassen store; and the pending litigation before the courts, I conclude that the Applicant has not discharged his

burden to show that on April 22, 2009 it was reasonable for him to declare to be satisfied that he was entitled to use the Mark in Canada.

[36] Consequently I maintain this ground of opposition.

Other Grounds of Opposition

[37] Since the Opponent has been successful under two separate grounds of opposition I do not need to rule on the other grounds of opposition raised by the Opponent in its statement of opposition.

Disposition

[38] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

Jean Carrière
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Schedule A

The grounds of opposition can be summarized as follow:

1. The Application does not comply with the requirements of section 30(b) of the *Trade-marks Act* RSC 1985, c T-13, (the Act) because at the filing date of the application the Applicant had not used the Mark in Canada in association with the Wares;
2. The Application does not comply with the requirements of section 30(i) of the Act because the Applicant could not have been satisfied and cannot be satisfied of its entitlement to use the Mark in Canada in association with the Wares in view of the prior use of the Opponent's trade-marks TASTE OF BC, TASTE OF BC & Design, TASTE OF BC SPICE TRIO & Design and A TASTE OF BC QUALITY SMOKED SALMON & Design, of which the Applicant was, or should have been aware;
3. The Applicant is not the person entitled to the registration of the Mark pursuant to section 16(1)(a) of the Act in that at the date of filing of the application or any relevant date, the Mark was confusing with the Opponent's trade-marks namely, TASTE OF BC and several TASTE OF BC & Design trade-marks previously used and made known in Canada by the Opponent or its predecessors in title and licensees in association with the wares described as 'smoke salmon, chowders, quiche and jerkies';
4. The Applicant is not the person entitled to the registration of the Mark pursuant to section 16(1)(c) of the Act in that the Mark is and was at the filing date of the application and any relevant date, confusing with the trade-name 'Taste of BC Fine Foods Ltd' used in Canada by the Opponent;
5. Pursuant to section 38(2)(d) of the Act, the Mark is not distinctive within the meaning of section 2 in that it does not actually distinguish nor is it adapted to distinguish, nor is it capable of distinguishing the Wares of the Applicant from the wares and services of others, and more particularly, from the wares with which the Opponent's trade-marks have been in used in Canada. Through extensive use in Canada, the Opponent's trade-marks have become distinctive in Canada with the Opponent's wares, including its smoked salmon, chowders, quiche, and jerkies. The Mark is not capable of distinguishing the Applicant's Wares from the wares of the Opponent since it is confusing with the Opponent's trade-marks.