



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

**Citation: 2014 TMOB 286  
Date of Decision: 2014-12-22**

**IN THE MATTER OF AN OPPOSITION  
by Santa Barbara Restaurant Group, Inc.  
and Carl's Jr. Restaurants LLC to  
application No. 1,262,781 for the trade-  
mark The Green Burrito in the name of  
Jay Veto**

[1] Jay Veto (the Applicant) has applied for the trade-mark The Green Burrito for use in association with services for providing food and drink including restaurant and catering services and a number of goods including food, beverages and clothing. Mr. Veto's evidence is that it has been a life long dream of his to own a restaurant.

[2] To arrive at a potential brand, Mr. Veto searched the United States to find a concept that he felt would work in Canada. During the course of Mr. Veto's searches he identified several US chains including the GREEN BURRITO restaurants of the Santa Barbara Restaurant Group, Inc. (Santa Barbara Restaurant) located throughout the west coast of the United States. Santa Barbara Restaurant and Carl's Jr. Restaurants LLC, have opposed the application on the basis that Mr. Veto did not intend to use the trade-mark The Green Burrito, nor was he satisfied of his entitlement to use this trade-mark in Canada and that it is confusing with Santa Barbara Restaurants' previous use and/or making known of its trade-mark and trade-name GREEN BURRITO.

[3] For the reasons that follow, I find that this application should be refused as Mr. Veto has failed to show that he has a bona fide intention to use the trade-mark The Green Burrito. In the absence of any documentary evidence or statements as to the specifics of his business intent, Mr. Veto's assertions that he planned to operate a restaurant and then a franchise serving Mexican food in association with the trade-mark The Green Burrito are not sufficient to prove that he had a *bona fide* intention to use this trade-mark.

### Background

[4] On June 27, 2005, the Applicant filed an application for the trade-mark The Green Burrito (the Mark) based on proposed use in association with the following goods and services, as amended (the Goods and Services).

#### Goods:

(1) Foodstuffs prepared for human consumption, namely, burritos, hamburger patties, meat extracts, hamburgers, sandwiches, cooked sausage, cooked bacon, steak sandwiches, roast beef sandwiches, chicken sandwiches, fish sandwiches, hot dog sandwiches, specially prepared breakfast sandwiches comprised of sausage, bacon and eggs, specially prepared meat burritos; preserved, dried and cooked fruit and vegetables; vegetable patties; potato and onion products, namely, potato chips, french fried onion rings, french fried potatoes, baked potatoes, specially prepared baked potatoes and hash browned potatoes; eggs; specially prepared cooked eggs and omelets; milk, cream, cheese, sour cream, cream cheese, yogurt; edible oils and fats; preserves and pickles; jams, jellies and fruit sauces; soups; salads; processed salad ingredients; salad dressings for consumption on or off the premises; croutons; coffee; tea; cocoa, decaffeinated coffee; sugar; flour; cereals; biscuits; bread and pastry; ices; salts, pepper; mustard; meat sauces; tomato sauces; cheese sauces; spices; pepper; vinegar; relishes; candies; pancakes; popcorn; puddings; chili; French toast; breakfast burritos; breakfast quesadillas; croissants; muffins; Danish; cookies; cake and cheesecake. (2) Beverages prepared for human consumption, namely, mineral and aerated waters, soft drinks, fruit flavoured soft drinks, fruit juices, fountain drinks composed of flavoured syrups and carbonated water; beer. (3) Paper napkins, paper bags and paper place mats. (4) T-shirts, cups, mugs, wrapping paper, boxes, board games, hand held ball games, action figures, puzzles, coloring books, markers, miniature cars and trucks, balloons, key chains, picture frames, pants, shirts, sweaters, shoes, bibs, drinking bottles, bicycles, hats, eye glasses, hosiery, pantyhose, underwear, lingerie, pygamas.

#### Services:

(1) Services for providing food and drink, restaurant services; catering services; take-

out, drive-through, pick-up food and beverage services; cafes, cafeterias, canteens and snack bars.

[5] The application was advertised for opposition purposes in the *Trade-marks Journal* of September 15, 2010.

[6] On November 15, 2010, Santa Barbara Restaurant opposed the application on the basis of the grounds summarized below.

- (a) The application does not comply with section 30(e) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act). The Applicant does not intend to use the Mark in Canada in association with the Goods and Services.
- (b) The application does not comply with section 30(i) of the Act. The Applicant cannot be satisfied he is entitled to use the Mark in view of the prior making known of the trade-marks and trade-names GREEN BURRITO and THE GREEN BURRITO in Canada by Santa Barbara Restaurant. Furthermore, the Applicant has developed a pattern of squatting on third party trade-mark rights by continually filing applications for trade-marks which are in direct conflict with well-known trade-marks and or trade-names of third parties.
- (c) The Applicant is not the person entitled to register the trade-mark pursuant to sections 16(3)(a) and (c) of the Act because at the time of filing it was confusing with the GREEN BURRITO and THE GREEN BURRITO trade-marks and trade-names of Santa Barbara Restaurant.
- (d) The Mark is not distinctive of the goods and services of the Applicant since Santa Barbara Restaurant has made its trade-marks and trade-names previously known or has acquired a reputation in Canada.

At the outset, I note that I consider the use of THE GREEN BURRITO trade-mark and trade-name to be use of the GREEN BURRITO trade-mark and trade-name.

[7] The trade-mark rights owned by Santa Barbara Restaurant were subsequently transferred to Carl's Jr. Restaurants LLC (collectively referred to as the Opponent) and the statement of opposition was amended accordingly.

[8] The Applicant filed and served a counter statement, in which it denies the Opponent's allegations.

[9] The Opponent filed as its evidence the following:

- The affidavit of Chantal St. Denis, a trade-mark agent employed by its agent.
- The affidavits of Albert L. Abaunza (Affidavits 1 and 2), a student-at-law employed by its agent.
- The affidavits of Anthony Kunkel, Michael Stephan, Richard Marier and Bernard Schober, each of whom is a private investigator retained to investigate the background of Jay Veto.
- The affidavit of Theodore Abajian the Executive Vice President and Chief Financial Officer of CKE Restaurants Inc., an affiliate of the Opponent.

[10] The Applicant filed as its evidence the affidavit of Jay Veto. Mr. Veto was cross-examined and the transcripts, exhibits and reply to undertakings have been filed.

[11] The Opponent filed a written argument and both parties appeared at a hearing on August 27, 2014.

#### Material Dates and Onus

[12] The material dates that apply to the grounds of opposition are as follows:

- sections 38(2)(a)/30 - the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];

- sections 38(2)(c)/16(3) - the filing date of the application [see section 16(3) of the Act]; and
- sections 38(2)(d)/2 - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 at 324 (FC)].

[13] Before considering the issue of confusion between the Mark and the Opponent's trade-mark and trade-name, it is necessary to review some of the technical requirements with regard to (i) the evidential burden on an opponent to support the allegations in the statement of opposition and (ii) the legal onus on an applicant to prove its case.

[14] With respect to (i) above, there is an evidential burden on an opponent to prove the facts in its allegations pleaded in the statement of opposition: *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298. The presence of an evidential burden on an opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist. With respect to (ii) above, the legal onus is on an applicant to show that the application does not contravene the provisions of the Act as alleged by an opponent (for those allegations for which the opponent has met its evidential burden). The presence of a legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against an applicant.

#### Section 30(e) Ground of Opposition

[15] Section 30(e) of the Act requires that an applicant for a proposed trade-mark state that the applicant, by itself or through a licensee, or by itself and through a licensee, intends to use the trade-mark in Canada. In *Hunter Douglas Canada Ltd v Flexillum Inc* (1983), 78 CPR (2d) 212 at 222-223 (TMOB), Board Member Martin explains the purpose of section 30(e):

...The wording of section 29(e) [the former version of section 30(e)] of the Act is clear and was obviously intended to prevent applicants from trafficking in trade-marks. ... The provisions of the Trade-marks Act relating to proposed use applications comprise a statutory exception to the common law which dictates that trade-mark rights only accrue as a result of use. Thus, as with other statutory exceptions to the common law found in the Act ... the provisions relating to proposed use applications should be

construed strictly.

[16] Section 30(e) has the practical effect of allowing an applicant to determine the registrability of a trade-mark before embarking on costly advertising campaigns or before investing large sums on labeling or packaging materials [*Canadian Trade-marks Examination Manual*, II.7.4.1].

*Has the Opponent Met its Evidential Burden?*

[17] The Opponent submits that: (i) Mr. Veto has applied for trade-marks covering goods and services beyond his apparent capabilities to produce the goods or perform the services claimed therein; (ii) he has not shown that he is making any attempts whatsoever to use such trade-marks; and (iii) his actions suggest that he is engaged in the trafficking of trade-marks as opposed to any real intent to use the Mark.

[18] To meet its evidential burden with respect to this ground of opposition, the Opponent must adduce sufficient admissible evidence from which it could reasonably be concluded that the Applicant does not have a *bona fide* intention to use the Mark in association with the Goods and Services. The evidential burden with respect to section 30(e) is relatively light as the facts at issue may be exclusively in the possession of the Applicant [*Canadian National Railway Co v Schwauss* (1991), 35 CPR (3d) 90 at 94-95 (TMOB)]. Further, the fact that the material date is the filing date of the application does not preclude the consideration of evidence arising subsequent to that date insofar as it may indicate a situation existing as of the material date [see *Bacardi & Co v Jack Spratt Manufacturing* (1984), 1 CPR (3d) 122 at 125-126 (TMOB)].

[19] The Opponent submits that the following is sufficient to meet its evidential burden:

- (a) The Applicant has filed a series of trade-mark applications for a broad range of goods and services such as in appl. No. 1,273,247 filed on September 23, 2005 where airplanes, helicopters, credit cards and cellular telephones have been applied-for; and in appl. No. 1,270,885 filed on September 2, 2005 where cameras, ski bags, boots, televisions, operation of aircraft, beauty salons, duty free shops, casinos have been applied-for (St-Denis affidavit, Exhibit A).

- (b) The Applicant has applied for the trade-marks LA SALSA FRESH MEXICAN GRILL (appl. No. 1,265,420); The Green Burrito and The Six Dollar Burger (appl. No. 1,263,923) (St-Denis affidavit, Exhibit B) all of which had been previously applied-for in the United States (St-Denis affidavit, para 11, Exhibit G) and used by the Opponent or an affiliate in the United States (see Abajian affidavit, paras 3, 10, 19 and 35).
- (c) The Applicant has very limited experience in the restaurant business. His practical experience includes assisting his father prepare food for customers in his father's convenience store when he was 11-17 years of age (Veto cross-examination, Qs 85-113) and his education in this field consists of what he has learned from other restaurateurs and online research (Veto cross-examination, Qs 119-122, 130 and 334).
- (d) The Applicant has not initiated use of the Mark and has delayed the prosecution of the application by requesting numerous extensions of time (Qs 245-249; 262-284).

245	What did you do during the period between filing in 2005, and the first notice you received that the Opponent had filed for an Application for the same mark in Canada more than a year later? What did you do to get ready to get into the restaurant business?
	My intention was to have the Trade-Mark allowed in order to pursue the Trade-mark.
248	I understand, but you could have started preparations. I didn't say you should use, but what, if any preparations did you start to make?
	I consulted with restaurateurs, I conducted my searches. I was in no race. I was entitled to this, I believed I was entitled to this Trade-Mark and I was in no race to pursue it until it was allowed.
249	So, Mr. Veto, you said when I asked you whether this was a serious [intention] to get into the restaurant business, and you spent almost 30 years doing other things before finally turning to this, and why would you suddenly want to go so slowly? I don't understand.
	I had general consultations with people in the restaurant business,

suppliers and things. I was moving forward, but I was waiting for the Trade-mark to be allowed.
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Since, however, there is no requirement on the Applicant to show use of a trade-mark until it has been allowed [*Molson Canada v Anheuser-Busch, Inc* (2003), 29 CPR (4th) 315 at 334-335 (FC)], the fact that Mr. Veto has not begun to use the Mark is not relevant.

[20] I find, that in this case, the Opponent has met its light evidential burden. The following evidence places the *bona fide* intention of Mr. Veto to use the Mark in association with the Goods and Services in doubt:

- (a) Within a six month period, Mr. Veto applied for trade-marks covering goods and services including food, bicycles, airplanes, helicopters, cellular telephones, containers for animals, playing cards, vending machines, credit cards, cigarettes, operation of aircraft, internet casinos, and operating an office building. This results in the inference that he may not have had a *bona fide* intention to use the Mark since his trade-mark applications filed around June 27, 2005 collectively cover “every conceivably imagined product available” [*Canadian National Railway Co v Schwauss, supra* at 96]. Further, this evidence gives rise to the inference that the Applicant may be involved in the trafficking of trade-marks.
- (b) Mr. Veto has applied to register multiple marks owned by the Opponent (or a related company) in the United States which results in the inference that he may be involved in or intend to traffic the Opponent’s trade-marks.
- (c) The fact that the Applicant’s relevant professional experience has been in the fields of retail and real estate reinforces the inference that the Applicant did not have a *bona fide* intention to use the Mark in association with the Goods and Services as he lacks the relevant experience to do so [see *Cerverceria Modelo S.A. de C.V. v Marcon* (2008), 70 CPR (4th) 355 at 370 (TMOB) and *Beiersdorf AG v Mitsubishi Gas Chemical Company, Inc.* 2012 TMOB 210 at paras 11-13, where it was held that evidence that an Applicant manufactured



basic chemicals used in the manufacture of products rather than the consumers products themselves was sufficient to meet the opponent's light evidential burden].

*Has the Applicant Met its Legal Onus?*

[21] The question now turns to whether the Applicant has met his legal onus of proving that he intended to use the Mark in association with the Goods and Services as of the filing date. To meet this legal onus, the owner of a proposed use trade-mark application must be able to justify what his or her business intent was [*Intel Corporation v Steven Emery* 2005 CanLII 78275 at 15]. In this case, the Applicant has failed to do so. Rather, the Applicant has provided vague statements which do not assist me in concluding on a balance of probabilities that Mr. Veto has a *bona fide* intent to use the Mark.

[22] Mr. Veto's evidence is that in 2005 he decided to pursue his interest of becoming involved in the fast food industry (Veto affidavit, paras 11-12):

11	... As such, I conducted searches on the Internet to locate different fast food chains operating all over the world, but which had no presence in Canada to determine, amongst other things, the type of food being offered, their price range and their means of operation.
12	My goal was to locate a few chains which might be successful in Canada and thereafter seek investors to assist me to operate one or more fast food outlets in the City of Montreal and possibly thereafter to franchise the operation of other locations in Canada to third parties.

[23] However, when asked about his intentions with respect to the Mark on cross-examination, Mr. Veto was only able to provide very general answers regarding his "serious intention" to use the Mark in association with the Goods and Services including franchises (Qs 213,219-232, 260-261). For example, he explained that "he enjoyed the words associated with the particular food" (Veto cross-examination, Q212) and that the application "indicates the goods and services, and these were my intentions of how to use the Mark" (Veto cross-examination, Q225). In addition, Mr. Veto provides the following answers in his examination:

226	I understand, but I am asking what attracted you to the mark. You made a decision, and you said it was the menu, that you liked the menu. Was it just because it was Mexican food, or was it the specific choice of foods?
	I was seeking out foods, restaurants, and that attracted me based on what I felt was best.
227	I am sorry, I don't understand that all; what does that mean?
	I chose a type of food and a brand that I felt was what I liked.

[24] Given Mr. Veto's lack of experience and education in the restaurant field, it is imperative for Mr. Veto to provide evidence that he had the requisite knowledge or experience to be able to hold a *bona fide* intention to use the Mark in association with the Goods and Services. While Mr. Veto indicates that he has looked on-line at various materials on franchises, restaurants, store set ups and taken notes (Veto cross-examination, Qs 322-337), Mr. Veto was unable to produce his notes in response to opposing counsel's request for the notes on anything to do with the operation, marketing of a restaurant or the franchise business (Answers to Undertakings, Veto cross-examination, Q 338). This results in my drawing an adverse inference that no such notes were taken and is consistent with the Opponent's submissions that Mr. Veto does not have the capacity to offer restaurant services and places the veracity of his statement that he intends to use the Mark in association with the Services in doubt. Further, there is no evidence that Mr. Veto's business intent was to work with an experienced licensee to launch his brand.

[25] Given that the application covers a variety of services including restaurant services, catering services, cafes, cafeterias, canteens and snack bars, Mr. Veto's vague statements in his affidavit and cross-examination about his business intent do not satisfy the Applicant's legal onus of proving that he had a *bona fide* intent to use the Mark in association with the Services.

[26] Mr. Veto's answers during his cross-examination that his intention was to offer the Goods to promote the brand (Qs 349-368) are not sufficient to meet his legal onus with respect to the Goods. Mr. Veto's statements that he has seen others promote restaurants with many different goods (Q361), has looked into having others manufacture items (Q352) and he is able

to determine on his own how he would like to promote a restaurant (Q364) is not sufficient to justify his business intent with respect to the Goods. The Applicant relies on the cases *Jacobs Suchard Ltd v Trebor Bassett Ltd* (1996), 69 CPR (3d) 569 at 573 (TMOB) and *Cerverceria Modelo SA de CV v Marcon, supra* for the proposition that an Applicant can rely on another to manufacture the goods. While this is true, in both these cases the applicants were able to show their business intent and there was evidence appearing to identify a specific manufacturer (*Jacobs Suchard, supra* at 573; *Cerverceria Modelo, supra* at 371) or that they had commenced negotiations for production [*Cerverceria Modelo, supra* at 371].

[27] While Mr. Veto may have felt he had a serious intention to use the Mark in association with the Goods and Services, in the absence of evidence setting out his business intent, I am unable to conclude that he met the legal onus with respect to this ground of opposition.

#### Section 30(i) Ground of Opposition

[28] The section 30(i) ground of opposition alleges in part that the Applicant could not have been satisfied that he was entitled to use the Mark because the Applicant must have been aware of the Opponent's trade-marks and trade-names GREEN BURRITO and THE GREEN BURRITO. The Opponent further alleges that the Applicant has developed a pattern of squatting on third party trade-mark rights by continually filing applications which are in direct conflict with well-known trade-marks or trade-names of third parties.

[29] Section 30(i) requires an applicant to indicate as part of its application that it is satisfied that it is entitled to use the trade-mark in Canada in association with the listed goods and services. The statement provided by section 30(i) purports to be evidence of the applicant's good faith in submitting its application [*Cerverceria Modelo, supra* at 366]. Where an applicant has provided the statement required by section 30(i), this ground of opposition should only succeed in exceptional cases, such as when there is evidence of bad faith on the part of the applicant [*Sapodilla Co Ltd v Bristol Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155].

*Has the Opponent Met its Evidential Burden?*

[30] The Opponent's evidence resulting in the inference that the Applicant appears to be involved in the trafficking of trade-marks discussed with respect to the section 30(e) ground of opposition is sufficient to meet the Opponent's burden by putting the good faith of Mr. Veto in doubt.

*Has the Applicant Met Its Legal Onus?*

[31] As the Opponent has met its initial burden, I must now assess whether the Applicant has met its legal burden of proving that he was satisfied he was entitled to use the Mark in Canada. For the following reasons, I conclude that Mr. Veto was satisfied he was entitled to use the Mark in Canada and did not apply for the Mark in bad faith.

[32] Section 30(i) of the Act does not prohibit an applicant from making such a statement about its entitlement to use a trade-mark which it knows has been used in another country. In *Taverniti SARL v DGGM Bitton Holdings Inc* (1986), 8 CPR (3d) 400 (TMOB) at 404-405, Member Troicuk explains:

The opponent's third ground of opposition is that the applicant's application does not comply with section 30(i) in that the applicant could not have been satisfied that it was entitled to use the trade mark in Canada ... The opponent submitted that it could be inferred from the evidence that ... the applicant had knowledge of the opponent's trade marks and ... could not have been satisfied that it was the person entitled to registration. In support of this submission, the opponent relied upon the decision of the Exchequer Court in *Williamson Candy Co. v. W. J. Crothers Co.*, [1924] Ex. C.R. 183 (Can. Ex. Ct.), and, in particular, Maclean J.'s following statement at p. 191:

I think knowledge of foreign registration and user, of a mark applied to the same class of goods, as in this case, and particularly where the foreign user is in a contiguous country using the same language, and between which travel is so easy, and advertising matter so freely circulates, should in most cases be a bar to registration knowingly, of that mark here.

The *Williamson* case was, however, decided under the *Trade Mark and Design Act*, R.S.C. 1906, c. 71, s. 13 of which required an applicant to declare that the trade mark for which he sought registration was not in use to his knowledge by any other person than himself at the time of his adoption thereof. No such provision exists under the present *Trade-Marks Act*. In the present case, the opponent has not established prior use, prior

making known, prior filing of an application or that its trade marks were known sufficiently in Canada to negate the distinctiveness of the applicant's trade mark and there is therefore no basis for concluding that the applicant could not have been satisfied that it was entitled to use its trade mark in Canada in association with the wares covered in its application. As a result, I also reject the opponent's third ground of opposition.

[33] In this case, the Applicant's evidence is sufficient to meet its burden that it was entitled to use the Mark in Canada. Mr. Veto's understanding was that he was entitled to use a trade-mark which was not made known or previously used in Canada (Veto cross-examination, Q84). Mr. Veto had not seen advertisements for the GREEN BURRITO in Canada (Veto affidavit, para 17), nor did his searches reveal any advertisements in Canada (Veto cross-examination, Qs157-186). Importantly, the results of Mr. Veto's searches are consistent with the evidence of the Opponent, which does not include any evidence of advertisements featuring the trade-mark GREEN BURRITO appearing in Canada as of June 27, 2005. This ground of opposition is therefore rejected.

#### Section 16(3)(a) and 16(3)(c) Grounds of Opposition

[34] The Opponent has pleaded that the Applicant is not the person entitled to the registration pursuant to sections 16(3)(a) and 16(3)(c) of the Act because at the time of filing it was confusing with the GREEN BURRITO and THE GREEN BURRITO trade-marks and trade-names previously made known in Canada by the Opponent and its predecessor-in-title.

[35] To meet its evidential burden with respect to the section 16(3)(a) ground of opposition the Opponent must prove that it had made known its relied upon trade-mark as of the filing date of the application. An opponent must also show that it had not abandoned its trade-mark at the date of advertisement of the opposed application [see section 17(5) of the Act]. At the outset, I note that there is no ability to rely on the prior making known of a trade-name [*Habib Bank Limited v Habib Bank AG Zurich*, 2011 TMOB 208 at para 21]. As such the section 16(3)(c) ground of opposition is rejected.

*Has the Opponent Met its Evidential Burden with respect to the Section 16(3)(a) Ground?*

[36] To succeed with the section 16(3)(a) ground of opposition, the Opponent must show that it had made known its GREEN BURRITO trade-mark in Canada prior to June 27, 2005 and had not abandoned this mark as of September 15, 2010.

[37] Section 5 of the Act explains what is required in order for a mark to have been "made known":

5. A trade-mark is deemed to be made known in Canada by a person only if it is used by that person in a country of the Union, other than Canada, in association with goods or services, and

- (a) the goods are distributed in association with it in Canada, or
- (b) the goods or services are advertised in association with it in
  - (i) any printed publication circulated in Canada in the ordinary course of commerce among potential dealers in or users of the goods or services, or
  - (ii) radio broadcasts ordinarily received in Canada by potential dealers in or users of the goods or services,

and it has become well known in Canada by reason of the distribution or advertising.

[38] The Opponent will have met its evidential burden if it has evidenced that, prior to June 27, 2005:

1. its trade-mark was used in another country of the Union;
2. its restaurant services were advertised in association with its GREEN BURRITO mark in either of the two manners set out in section 5;
3. this mark had become well known in Canada by reason of this advertising (which requires that consumers in a substantial area of Canada must know the mark) [*Marineland Inc v Marine Wonderland & Animal Park Ltd* (1974), 16 CPR (2d) 97 (FCTD) at 111-112].

[39] The Opponent's evidence is not sufficient to meet its evidential burden since there is no evidence that its GREEN BURRITO trade-mark was advertised in printed publications circulated in Canada or radio broadcasts received in Canada prior to the material date. For the reasons above, the section 16(3)(a) ground of opposition is rejected.

## Distinctiveness Ground of Opposition

[40] The Opponent alleges that the Mark is not distinctive having regard to its trade-mark and trade-name which are previously known or have acquired a reputation in Canada. There is an evidential burden on the Opponent to establish that, as of November 15, 2010, its GREEN BURRITO trade-mark or trade-name was known to such an extent that they could negate the distinctiveness of the Mark. An attack based on non-distinctiveness is not restricted to the sale of goods or services in Canada. It may also be based on evidence of knowledge or reputation of the Opponent's trade-mark including that spread by means of word of mouth or newspaper or magazine articles [*Motel 6, Inc v No. 6 Motel Ltd*, (1981) 56 CPR (2d) 44 (FCTD) at 58-59].

[41] The following propositions summarize the relevant jurisprudence on distinctiveness [*Bojangles' International, LLC v Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (FC) at paras 33-34].

- The evidential burden lies on the party claiming that the reputation of its mark prevents the other party's mark from being distinctive;
- However, a burden remains on the applicant for the registration of the trade-mark to prove that its mark is distinctive;
- A mark should be known in Canada to some extent at least to negate another mark's distinctiveness and its reputation in Canada should be substantial, significant or sufficient;
- Alternatively, a mark could negate another mark's distinctiveness if it is well known in a specific area of Canada; and
- A foreign trade-mark owner cannot simply assert that its trade-mark is known in Canada, rather it should present clear evidence to that effect.

### *Has the Opponent Met its Evidential Burden?*

[42] While Mr. Abajian's evidence described below supports an inference that a number of Canadians may have come into contact with the GREEN BURRITO brand, taken as a whole it is not sufficient to show that its reputation in Canada is substantial, significant or sufficient to negate the distinctiveness of the Mark. As such, the Opponent has not met its evidential burden.

*Canadians Attendance at Green Burrito Restaurants*

- As of March 2011 there were 487 GREEN BURRITO/CARL'S JR. restaurants and 10 stand-alone GREEN BURRITO locations in the United States, primarily in California (Abajian affidavit, para 8, Exhibit A). The GREEN BURRITO trade-mark is displayed on menu boards, product packaging, coupons, and signage (Abajian affidavit, paras 14-16; Exhibits C-D). In each of the years 2007-2010, GREEN BURRITO sales in the United States exceeded \$24 million at the company owned locations and \$21 million at the franchise owned locations. Over 1 million Canadians travelled to the State of California for each of the years 1999-2008 (Abajian affidavit, para 12; Exhibit B).
- While this evidence may suggest that some Canadians were familiar with the GREEN BURRITO brand and may have visited a Green Burrito restaurant, it does not imply that Canadian consumers would have any recollection of the brand such that it has a substantial, sufficient, or significant reputation in Canada [see, for example, *Bojangles, supra* at para 52 which discusses how a brand's impact on travelers can vary].

*References in Third Party Websites and Publications*

- Mr. Abajian attaches various web-site print-outs referencing GREEN BURRITO restaurants (Abajian affidavit, Exhibit F). None of the print-outs assists the Opponent in demonstrating the reputation of its GREEN BURRITO brand in Canada. While I can take judicial notice of the circulation of the *New York Times* in Canada [*Milliken & Co v Keystone Industries (1970) Ltd*, (1986), 12 CPR (3d) 166 (TMOB) at 168-169], the few references to GREEN BURRITO in articles in this newspaper does not lead to the inference that a sufficient number of Canadians have been meaningfully exposed to the GREEN BURRITO brand.
- The remainder of the print-outs do not assist the Opponent in demonstrating reputation in Canada as they are from publications that would appear to have a very limited readership, (for example, *Nation's Restaurant News* or *Orange County Business Journal*), or review websites which function to review restaurants in particular United States geographical areas (for example, *azcentral.com*; *losangeles.menupages.com*) or websites providing



nutritional information for visitors to restaurants (for example, *www.calorielab.com*; *www.godairyfree.org*).

- Further, in all of the material provided there appears to be only one reference to a Canadian consumer. The May 1, 2010 review posted on *www.urban Spoon.com* of Carl's Jr./ Green Burrito restaurant appears to make reference being Canadian "Now here is something different (to us traveling Canadians) for a quick breakfast".

#### *Steps to Enter the Canadian Market*

- The Opponent has attended trade shows in Canada including in Toronto, Vancouver, and Montreal from 2008-2010 (Abajian affidavit, para 24); placed ads in *Franchise Canada Magazine* (Abajian affidavit, Exhibit K-3), met with owners of commercial enterprises in Canada with a view to co-branding or investing in the entry in Canada of CARL'S JR./GREEN BURRITO brands (Abajian affidavit, para 27); and attended business matchmaking events (Abajian affidavit, para 29). Given the limited scope of the target audience for these initiatives and the focus on the Carl Jr.'s brand, I do not believe that any of these activities would have had a notable impact on the reputation of the Opponent's GREEN BURRITO brand on Canadian consumers.

[43] As I have found that the GREEN BURRITO trade-mark/trade-name had not acquired a reputation in Canada on November 15, 2010 sufficient to negate the distinctiveness of the Mark, it is unnecessary for me to conclude to what extent the use of the GREEN BURRITO brand inures to the Opponent. Suffice it to say that Mr. Abajian's references to the fact that GREEN BURRITO franchises "operated under franchise licenses with My Company" (Abajian affidavit, para 8), with "My Company" referring to four different companies (Abajian affidavit, para 2), is at best ambiguous [see, for example, *BCF SENCRL v Spirits International BV* (2012), 101 CPR (4th) 413 (FCA) at paras 18-19].

[44] Accordingly, this ground of opposition is rejected on the basis that the Opponent has not met its evidential burden.

Disposition

[45] 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.

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Natalie de Paulsen  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office