

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

Citation: 2013 TMOB 180 Date of Decision: 2013-10-23

IN THE MATTER OF AN OPPOSITION by BSH Home Appliances Corporation to application No. 1,448,299 for the trademark ECO*STAR in the name of NO/AX Systems Corporation

I. <u>Background</u>

- [1] NO/AX Systems Corporation (the Applicant) has applied to register the trade-mark ECO*STAR (the Mark), based upon use in Canada since August 1, 2009, in association a range of products including electrical appliances, cookware, kitchen cooking and baking accessories and bathroom fixtures and accessories. The statement of wares in the application is reproduced in its entirety in Schedule "A" to this decision.
- [2] BSH Home Appliances Corporation (the Opponent) has opposed the application under section 38 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act).
- The application has been opposed on the grounds that: (i) it does not conform to the requirements of section 30(b) of the Act because the Mark was not used in Canada by the Applicant in association with the wares set out in the application since the claimed date of first use; (ii) the Applicant is not the person entitled to registration of the Mark under section 16 of the Act in view of the Opponent's prior use of the trade-mark STAR in Canada, in association with cooking ranges, cook tops and gas burners sold as a component of cook tops; and (iii)the Mark is not distinctive within the meaning of section 2 of the Act.

- [4] In support of its opposition, the Opponent filed the affidavit of Michael Stephan, sworn December 14, 2010 and the affidavit of Steven Preiner, sworn April 25, 2011. Mr. Stephan and Mr. Preiner were not cross-examined.
- [5] As its evidence, the Applicant filed the affidavit of Samuel Sonnenschein, sworn August 25, 2011. Mr. Sonnenschein was cross-examined.
- [6] Only the Opponent filed a written argument.
- [7] No oral hearing was held.

II. Onus

[8] The Applicant bears the legal onus of establishing on a balance of probabilities that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

III. Analysis

Preliminary Matter

[9] At the outset, I note that although three grounds have been pleaded in the statement of opposition, the Opponent in its written argument has restricted its submissions to the section 30(b) ground. I will therefore only consider this ground in my analysis. However, I wish to note that the Opponent has not formally withdrawn the remaining grounds in the event of an appeal.

Section 30(b)

[10] The Opponent alleges that the Applicant has not used the Mark in Canada since the claimed date of first use, namely, August 1, 2009. Section 30(b) of the Act requires that there be continuous use of the applied for trade-mark in the normal course of trade from the date claimed

to the date of filing of the application [Benson & Hedges (Canada) Ltd v Labatt Brewing Co (1996), 67 CPR (3d) 258 (FCTD) at 262].

- [11] The initial burden on an opponent is light respecting the issue of non-conformance with section 30(b) of the Act because the facts regarding an applicant's first use are particularly within the knowledge of an applicant [*Tune Masters v Mr P's Mastertune Ignition Services Ltd* (1986) 10 CPR (3d) 84 (TMOB) at 89].
- [12] In this case, the Opponent's evidence consists of the Preiner affidavit and the Stephan affidavit.
- [13] The Preiner affidavit primarily provides information regarding the Opponent, its business and its use of its trade-mark STAR in association with cook top burners. Mr. Preiner identifies himself as the Director of Marketing for the Opponent and indicates that in view of his position, he is generally aware when competitors launch new kitchen appliances in Canada. He further indicates that he is not aware of the Applicant manufacturing or selling any kitchen appliance or any other products in Canada bearing the Mark or any other brand [see para 9]. I am not prepared to accord any weight to this statement, as it is clearly self serving.
- [14] The Stephan affidavit provides information regarding various on-line searches which Mr. Stephan conducted in an attempt to determine whether the Mark had been in use in association with the wares in the application since the August 1, 2009 claimed date of first use.
- [15] Exhibits "A", "C" and "E" to the Stephan affidavit consist of print-outs from Industry Canada's website, the Province of Quebec's website and a third party website, all of which provide company profiles for the Applicant. The Opponent has pointed out that none of these company profiles mention of any of the wares in association with which the Applicant claims to have used the Mark since August 1, 2009. In my view, the fact that the general nature of the Applicant's business has been described in various company profiles without any specific reference to the wares which are identified in its application does not necessarily lead to a conclusion that the Applicant was not engaged in the sale of those wares and using the Mark in association with those wares at the material date.

- [16] Attached as Exhibit "B" to Mr. Stephan's affidavit, is a copy of a further document which was obtained from the Industry Canada website. The document suggests that the Applicant was overdue on its annual filings as of the November 23, 2010 date on which the document was modified. I note that the modification date for this document appears to post date the material date. Moreover, according to the Applicant's evidence, the status of the Opponent's annual filings were up to date as of 2011 [see Exhibit "A" of the affidavit of Samuel Sonnenschein]. In any event, in my view, the mere fact that the Applicant may have been behind on its annual filings at some point in time has no bearing on whether or not the Mark was in use at the material date.
- [17] Mr. Stephan has also provided details regarding a search he conducted for the Applicant's business using the search engine Google [see paragraph 12]. In paragraph 13 he indicates that he was unable to find any indication that the Applicant had ever made use of the trade-mark ECO*STAR. The fact that on-line searches failed to locate any use of the Mark does not necessarily mean that the Mark was not in use out in the marketplace.
- [18] In view of the foregoing, although I am mindful of the fact that the burden on the Opponent is light in relation to a section 30(b) ground, I am not satisfied that the evidence filed by the Opponent is sufficient for the Opponent to meet its burden in this particular case.
- [19] However, as the Opponent has pointed out in its written submissions, it may also meet its initial burden by relying upon the Applicant's evidence [*Labatt Brewing Co v Molson Breweries*, *A Partnership*, (1996), 68 CPR (3d) 216 (FCTD) at 230].
- [20] In order to rely upon the Applicant's evidence, the Opponent must show that it is "clearly" inconsistent with the claims in the application [*Ivy Lea Shirt Co v Muskoka Fine Watercraft & Supply* (1999), 2 CPR (4th) 562 (TMOB) at 565-6, aff'd at (2001), 11 CPR (4th) 489 (FCTD)].
- [21] Mr. Sonnenschein, the Director of the Applicant, makes the following statements regarding use of the Mark in his affidavit:

page 1, para 2	the copyrighted manuals (May 2009) of our current INDUCTION Cooktops are found in our Exhibit "C" for our above counter and Drop-in models of our INDUCTION cooktops and clearly use the trademark ECO*STAR. The copyright predates any actions by the opponent and were produced to coincide with the production and distribution of each product. In addition, the ECO*STAR trademark is clearly used as a brand name and is printed on the glass surface of the drop-in model. (Our Exhibit "D") Photographic evidence of our two products is also shown with the trademark usage clearly evident.
page 2, para 1	The trade-mark ECO*STAR has been in use in Canada as of August 1, 2009 with a website registered with CIRA.
page 2, para 2	The trade-mark has been in use and is printed on the ceramic glass surface of an induction cooking device by the Applicant and is used as its branding name.
page 2, para 3	Instruction manuals are in print and copyright in Canada for the induction cook-top we have produced using our trade-mark.

- [22] I note that Mr. Sonnenschein does not make reference to use of the Mark in association with any wares other than "cook tops". In addition, there is no clear indication in Mr. Sonnenschein's affidavit that any cook tops bearing the Mark were actually sold on or before August 1, 2009 or that manuals bearing the Mark accompanied the sale of any cook tops which were sold on or before that date.
- [23] Although the copyright for the manuals may well date back to May of 2009, this does not necessarily mean that there were any sales of the cook tops as of that date. Moreover, the fact that the Mark may have appeared on the Applicant's website as of August 1, 2009, does not enable me to conclude that there were any sales of the Applicant's cook tops on or before that date.
- [24] It is therefore unclear from Mr. Sonnenschein's affidavit whether any use of the Mark within the meaning of section 4 of the Act actually took place on or before the claimed date of first use in the application, in association with "cook tops" or any other wares. However, the absence of clear evidence in this regard does not necessarily result in a clear inconsistency which would enable the Opponent to rely upon the Applicant's evidence to meet its initial burden. As

noted by Board Member Herzig in *Masterfile Corporation v Mohib S. Ebrahim*in, in law, as in archaeology, the absence of evidence is not necessarily evidence of absence [see 2011 TMOB 85 (CanLII)].

- [25] I note that the Opponent may also rely upon the cross-examination of the Applicant's affiant to meet the evidential burden upon it [Coca-Cola Ltd v Compagnie Française de Commerce (1991), 35 CPR (3d) 406 (TMOB)]. In the present case, I am of the view that the Opponent has met its initial burden through the cross-examination of Mr. Sonnenschein for the reasons set out below.
- [26] During his cross-examination, Mr. Sonnenschein stated that aside from "cook tops", the Applicant has never sold any of the wares covered by its application [see paragraphs 97 to 101 of the cross-examination transcript]. This is clearly inconsistent with the August 1, 2009 claimed date of first for those wares.
- [27] With respect to "cook tops", I refer to the following passages from the transcript of Mr. Sonnenschein's cross-examination:
 - Q.70 When you invoice your customers...
 - A. Yes.
 - Q71 ...when do they get the invoice? Is it when they come to you and say, "I'm going to buy it," or do they get the invoice when you deliver the product?
 - A. After we deliver the product.
 - Q72 After you deliver the product. And so the date on the invoice, is that the date that they receive the product?
 - A No, it's the date we bill.
 - Q74 So typically when will they receive the product in relation to the date when you bill?
 - A It depends when we decide to do the billing.
 - Q75 So why...

- A There's no fixed date that...we can do it ten (10) days after, we can do it twenty (20) days after.
- Q76 Okay. So you can't tell from the invoice through when they've received the product?
- A The receiving slip, we would keep a copy of the receiving slip.
- Q77 Oh, I see, so that has the date when they receive.
- A Yeah.
- Q78 Okay. When did you sell your first cook top, your first Eco*Star cook top?
- A I don't have that information with me....
- Q79 Okay, but when would that first sale have been? What year would it have been in?
- A I believe it's two thousand and nine (2009) that we...this Application was made.
- Q81 ... Application was filed in two thousand and nine (2009).
- A That's when we sold
- [28] By way of undertakings, Mr. Sonnenschein was then asked to provide copies of the invoice and the receiving slip for the first sale and he agreed to do so. Mr. Sonnenchein subsequently provided a copy of the first invoice to the Opponent. The invoice, which is dated December 4, 2009, post-dates the August 1, 2009 claimed date of first use in the application by several months. Instead of a "receiving slip", Mr. Sonnenschein provided an undated copy of a "packing slip". In view of this, although it seems likely that the first cooktop was sold and shipped prior to the December 4, 2009 date shown on the invoice for the first sale, there is no way to ascertain from the evidence whether the first cook top was sold and received on or before the August 1, 2009 claimed date of first use in the application.
- [29] The Opponent submits that I should draw a negative inference from the Applicant's failure to provide a dated receiving slip to support its claimed date of first use after undertaking to do so. Under the circumstances, I am prepared to draw such a negative inference. It would

have been a simple matter for Mr. Sonnenschein to explain why he provided a packing slip, rather than a receiving slip or clarify that they are one and the same, but he did not. Moreover, he did not provide any explanation as to why the packing slip which was provided is undated.

[30] Under the circumstances, I am of the view that the answers given during Mr.

Sonnenschein's cross-examination and the undertakings which were subsequently provided amount to a clear inconsistency between the Applicant's evidence and the claimed date of first use in the application. As a result of this clear inconsistency, the Opponent has met its initial burden and the onus shifts to the Applicant to demonstrate on a balance of probabilities that it has complied with the requirements of section 30(b) of the Act. Since the Applicant has not filed any evidence which can positively establish its claimed date of first use, I must conclude that the onus on the part of the Applicant has not been met.

[31] Accordingly, this ground of opposition is successful.

Disposition

[32] 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.

Lisa Reynolds Member Trade-marks Opposition Board Canadian Intellectual Property Office

Schedule "A"

Statement of Wares for Application No. 1, 448, 299

(1) Electrical Appliances, namely domestic and industrial grade cook tops, electric cooking ranges and ovens, electric blenders, electric mixers, electric choppers and inserts for the above(2) Cookware, namely sauce pans, skillets, saute pans, sauteuses, fry pans, stock pots, dutch ovens, sauce pots, casseroles, griddles, grill pans, woks, stir fry pans, chef pans, and insert and covers for the above(3) Kitchen Cooking and Baking Accessories, namely knives, utensils, baking pans(4) Bathroom fixtures and accessories, namely shower doors, shower enclosures, hinges, bathtubs, faucets, valves, towel racks, paper holders, hooks, shelves.