LE REGISTRAIRE DES MARQUES DE COMMERCE

THE REGISTRAR OF TRADE-MARKS

Citation: 2010 TMOB 2010
Date of Decision: 2010-12-07

IN THE MATTER OF AN OPPOSITION by Trainer's Choice Inc. to application No. 1,294,542 for the trade-mark MIND TO MUSCLE in the name of Vision Tek Inc.

FILE RECORD

[1] On March 22, 2006, Vision Tek Inc. ("Vision Tek") filed an application to register the mark MIND TO MUSCLE, based on use of the mark in Canada since June 1, 1999, in association with:

wares
athletic clothing; exercise equipment namely bicycles, strength training; orthopaedic braces and supports,

services
assessment and evaluation services namely medical, sports injury; clinics namely medical, sports therapy; educational services in the field of sports injury assessment, care and exercise; health care services namely injury assessment and physical rehabilitation; registered massage services; medical services namely operation of a medical sports clinic; operation of a wellness centre namely acupuncture services; injury treatment clinic; physician services; physical fitness instruction; promoting public awareness of the need for physical activity and fitness; providing medical information; physical rehabilitation and physical therapy services; athletic therapy; training services, namely fitness.

[2] The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated May 30, 2007 and was opposed by Elite Sports Performance Inc. ("Elite Sports") on October 29, 2007. The Registrar forwarded a copy of the statement of opposition to the applicant on December 11, 2007, as required by s.38(5) of the *Trade-marks Act*, R.S.C. 1985, c. T-13. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition.

[3] The opponent's evidence consists of the affidavit of Rick Schaly, dated August 8, 2008. Mr. Schaly was cross-examined on his affidavit on January 8, 2009, the transcript thereof forming part of the evidence of record. The applicant elected not to file any evidence, however, both parties filed written arguments. Neither party responded to the Registrar's notice, dated October 29, 2009, advising the parties that they may request an oral hearing. Thus, this decision is being issued without the benefit of oral submissions from the parties.

[4] During the course of this proceeding, on June 1, 2009, the original opponent Elite Sports amalgamated with another company and continued as Trainer's Choice Inc., the current opponent of record. For the sake of clarity, I will refer to the opponent as Elite Sports when discussing events prior to June 1, 2009.

STATEMENT OF OPPOSITION

[5] The statement of opposition pleads that (i) David Wright is an owner of the applicant Vision Tek and a founding shareholder of the opponent Elite Sports, (ii) pursuant to a Share Purchase Agreement effective January 11, 2006, David Wright sold his shares in the opponent Elite Sports to Rick Schaly, who then became the opponent's sole shareholder, and (iii) the opponent Elite Sports has used the mark MIND TO MUSCLE in association with sports medicine and athletic training and conditioning since its incorporation in 2001. The statement of opposition alleges that:

[6] the subject application does not comply with s.30(i) of the *Trade-marks Act* in that the applicant could not have been satisfied at the date of the application (March 22, 2006) as to its entitlement to use the applied for mark in view of (i) the Share Purchase Agreement referred to above, and (ii) the opponent's use of the mark MIND TO MUSCLE since 2001;

[7] the applied for mark MIND TO MUSCLE does not distinguish the wares and services of the applicant from the services of the opponent provided under the opponent's mark MIND TO MUSCLE.

OPPONENT'S EVIDENCE

Rick Schaly

[8] Mr. Schaly identifies himself as President of the opponent Elite Sports. The opponent operates an athletic conditioning centre in Barrie, Ontario from which it provides fitness and wellness training services to athletes of all ages, levels and sports. The opponent Elite Sports was incorporated in August 2001 with three shareholders namely, Schaly Holdings Inc. (whose sole shareholder is Mr. Schaly); Vision Tek Inc. (the applicant herein); and Dan Marouelli whose shares were subsequently redeemed in January 2003 following which Mr. Marouelli no longer had an interest in Elite Sports.

[9] Since August 2001 to the date of Mr. Schaly's affidavit, Elite Sports has provided the opponent's services in association with the word mark MIND TO MUSCLE and with the mark MIND TO MUSCLE & Design, which consists of the word mark enclosed in a partially open oval border.

[10] Pursuant to a Share Purchase and Shareholder Loan Assumption Agreement, dated January 11, 2006, (i) the applicant Vision Tek Inc. transferred all of its shares in Elite Sports to Schaly Holdings Inc., and (ii) David William Wright, the directing mind of Vision Tek Inc., resigned as a director and officer of Elite Sports. Further, in connection with the agreement, Vision Tek Inc. and Elite Sports agreed that Elite Sports would continue to use Elite Sports' marks in the same manner that Elite Sports had been using its marks since 2001.

[11] Since 2001, the opponent has provided its services in association with its marks to over 2000 individuals annually, generating in excess of $600,000 in revenue annually. The opponent expends in excess of $30,000 annually to promote its services under its marks, including distributing thousands of promotional brochures annually since January 2002. Additionally, the opponent's marks appear on signage at its Barrie facilities and on clothing distributed to its clients. Exhibits attached to Mr. Schaly's affidavit corroborate his testimony.

transcript of cross-examination

[12] The transcript of Mr. Schaly's cross-examination reveals that (i) Mr. Schaly and David Wright were friends before Elite Sports was formed, (ii) the applicant Vision Tek Inc. was operating an athletic conditioning centre in association with the mark MIND TO MUSCLE prior to the formation of Elite Sports, and (iii) Mr. Schaly was operating a business that sold athletic braces and similar equipment to the applicant prior to the formation of Elite Sports. Further, Mr. Schaly was aware that the applicant Vision Tek used the mark MIND TO MUSCLE prior to the formation of Elite Sports and that the applicant continued to use the mark MIND TO MUSCLE after dissociating from Elite Sports.

[13] Mr. Schaly further acknowledges that the January 11, 2006 Share Purchase Agreement, referred to earlier, did not explicitly assign any trade-mark rights from Vision Tek to Sports Elite. However, as noted by Mr. Schaly at cross-examination:

> *at page 12 of the transcript*
>
> . . . we had operated as MIND TO MUSCLE since 2002 . . . the clients were coming, purchasing programs from MIND TO MUSCLE; we were operating the company as MIND TO MUSCLE.
>
> So when they [Vision Tek Inc.] walked away from the business [Sports Elite] . . . I was assuming that because I was taking over their debt - - the only real value to the company was the MIND TO MUSCLE brand which had taking place in the market since 2002 . . . there was very little in assets, umm, really it was just a marketplace brand which I was assuming . . . we were purchasing the business which was operating as MIND TO MUSCLE and had been since 2002,
>
> *at page 14*:
>
> Dave [David Wright] called me about two months after [signing the agreement] and said "we don't want you to use the trade mark[sic]," but it was never discussed at the time of the purchase and sale agreement,
>
> *at page 16*:
>
> . . . when Dave [David Wright] did call me and say "we don't want you to use the MIND TO MUSCLE name," he said, " but you can use it for a couple of years and then we'll work it out in a couple of years"
>
> *at page 46*:
>
> And then, like I said, . . . I sent him an e-mail to say "let's settle this thing because it is kind of silly."

[14] At no time did Mr. Schaly acknowledge to Mr. Wright that he needed Vision Tek's permission to use the mark MIND TO MUSCLE, which is consistent with Mr. Schaly's understanding that trade-marks rights to MIND OVER MUSCLE remained with Elite Sports when Vision Tek gave up its proprietary interest in Elite Sports. Of course, a written document is not necessary to effect or to evidence a valid transfer of trade-mark rights.

DISCUSSION OF GROUNDS OF OPPOSITION

[15] With respect to the first ground of opposition, the material date is the date of filing the application, that is, March 22, 2006. The allegation pursuant to s.30(i) requires a pleading of fraud, bad faith or violation of specific federal statutory provision on the part of the applicant: see, for example, *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155; *Canada Post Corporation v. Registrar of Trade-marks* (1991), 40 C.P.R. (3d) 221. In the instant case, the pleadings themselves do not support a ground of opposition based on s.30(i) and neither is there any evidence of malfeasance on the part of the applicant. Further, the evidence of record supports the applicant's *bone fides* belief of its entitlement to use the applied for mark. Therefore, the first ground is rejected.

[16] However, I would also add that, in my view, the evidence of record equally supports the opponent's *bone fides* belief that it is entitled to use the applied for mark, regardless of the applicant's consent, considering the history of the business dealings between the parties.

[17] With respect to the second ground of opposition, the material date is the date of opposition, that is, October 29, 2007. For the purposes of this proceeding, it is not necessary for me to decide whether or not the applicant assigned any rights in the mark MIND TO MUSCLE to the opponent at any time during their business relationship. Rather, it is sufficient for me to decide whether or not the opponent's use of the mark MIND TO MUSCLE accrued to its own benefit. In view of the evidence of record, I find that the opponent's use of the mark MIND TO MUSCLE at all times accrued to the benefit of the opponent. Thus, at the material date October 29, 2007, I find that, in the absence of evidence from the applicant regarding the extent of its use of its mark MIND

TO MUSCLE, the opponent's mark had become known sufficiently to negate the distinctiveness of the applied for mark. Accordingly, the opponent succeeds on the second ground of opposition: see *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R.(2d) 44 at 58 (F.C.T.D.)

DISPOSITION

[18] In view of the foregoing, the application is refused. This decision has been made pursuant to a delegation of authority under s.63(3) of the *Trade-marks Act*.

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Myer Herzig
Member
Trade-marks Opposition Board