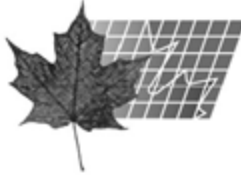


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C I P O

LE REGISTRAIRE DES MARQUES DE COMMERCE

THE REGISTRAR OF TRADE-MARKS

**Citation: 2017 TMOB 71**

**Date of Decision: 2017-06-15**

**IN THE MATTER OF AN OPPOSITION**

**Western Water Farms & Gardens Inc.**

**Opponent**

**and**

**378715 B.C. Ltd.**

**Applicant**

**1,635,972 for NUTRILIFE and Design**

**Application**

**Introduction**

[1] Western Water Farms & Gardens Inc. (the Opponent) opposes registration of the trademark NUTRILIFE and Design (the Mark), shown below, filed by 378715 B.C. Ltd. (the Applicant):



[2] A key issue in this proceeding is ownership of the design of the water drop depicted with arms and legs and wearing sunglasses (the Drip Man Design), which comprises part of the Mark. The Opponent alleges that it acquired the Drip Man Design through its purchase of the business

Western Water Farms Inc. in 2005, whereas the Applicant alleges that it has always owned and continues to own the Drip Man Design. Determining ownership of this component of the Mark is necessary in order to assess the compliance, entitlement, and distinctiveness grounds of opposition pleaded by the Opponent, pursuant to sections 30, 16, and 2, respectively, of the *Trade-marks Act*, RSC 1985, c. T-13 (the Act).

[3] For the reasons that follow, I reject the opposition.

### **The Record**

[4] On July 19, 2013, the Applicant filed the application bearing serial No. 1,635,972.

[5] The application is based on use of the Mark in Canada since at least as early as June 1, 1995 in association with the following goods and services:

(1) Hydroponic soil and soil enhancers, hydroponic rockwool, hydroponic pipes and containers to hold hydroponic plants, CO<sub>2</sub> monitors and controllers, gardening hormones, Ph meters and conductivity meters for gardening, polyurethane foam growing medium to be used in hydroponic and indoor planting, bedding and growing of plants, growing trays for plants and vegetables, vitamin growth hormone supplements for plants, rooting compound for plants and vegetables, natural fungus biological soil conditioner for plants and vegetables, coconut fiber growing medium for hydroponic and indoor planting, vitamin growth hormone supplements for plants and vegetables, and plant and vegetable fertilizer.

(2) Hydroponic growing trays for hydroponic gardens, nutrient reservoirs; hydroponic planting mediums; fertilizers and growth enhancers for plants, printed material in the field of hydroponic gardening.

(3) Plant nutrients and water conditioning preparations; hydroponic irrigation systems, namely valves, pumps, pipes, tubing, controls, pots and reservoirs; chemical nutrients, fertilizers and growing media for hydroponic systems; hydroponic plant growing system consisting of a nutrient solution container, growing chamber, pots, pipe, drip ring, water pump, fittings, growing media and controller sold as a unit.

(4) Plant food, plant care products made in whole or substantial part of organic material, namely, substances for regulating and fortifying plant growth for hydrogardens and indoor container gardens, namely plant food and fertilizers, plant nutrition preparations, namely nutrients and supplements in the nature of plant food, and plant food in the horticultural industry; growing media for hydrogardens and indoor container gardens, namely potting soils; plant nutrients and plant supplements made in whole or substantial part of organic material, namely, plant food for use in hydrogardens and self-contained gardens.

(5) T-shirts; hats, namely, brimmed caps; glassware, namely, mugs; writing instruments, namely pens. (the Goods)

(1) Wholesale and retail distribution of gardening products and gardening equipment; consulting with respect to greenhouse setup and operations; water analysis; plant tissue analysis. (the Services)

[6] The application was published on July 16, 2014 in the *Trade-marks Journal* for the purposes of opposition.

[7] On August 5, 2014, the Opponent filed a statement of opposition. The grounds of opposition pleaded are based on sections 30(b), (e) and (i), section 16(1)(a) (entitlement), and section 2 (distinctiveness) of the Act.

[8] The Applicant filed a counter statement on December 4, 2014.

[9] The Opponent filed as its evidence the affidavit of Karen A. Probert sworn on April 2, 2015. Ms. Probert was cross-examined and the transcript and exhibits to the cross-examination form part of the record.

[10] The Applicant filed as its evidence the affidavit of Kelland John Zastowny (commonly known as Kelly Zastowny) sworn on February 22, 2016. Mr. Zastowny was not cross-examined.

[11] Both parties filed a written argument; no hearing was held.

### **Evidentiary burden**

[12] The legal onus is on the applicant to show that the application complies with the provisions 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. Once this initial burden is met, the applicant has to prove, on a balance of probabilities, that the particular ground of opposition should not prevent the registration of the Mark [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] FCJ No 899, (FC)]

## **Material Dates**

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

- sections 38(2)(a)/30 – the filing date of the application (July 19, 2013) [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- sections 38(2)(c)/16(1) – the date of first use claimed in the application (June 1, 1995);  
and
- sections 38(2)(d)/2 – the date of filing of the opposition (August 5, 2014) [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185].

## **Preliminary remarks**

[14] In reaching my decision I have considered all the evidence in the file. However, only those portions of the evidence which are directly relevant to my findings are discussed in the body of my decision.

## **Ground of opposition summarily dismissed for being improperly pleaded – section 30(e)**

[15] The Opponent has pleaded that the Mark is not registrable in view of sections 38(2)(a) and 30(e) of the Act because the Applicant never intended by itself, nor through a licensee, to use the Mark in Canada in association with each of the Goods and Services.

[16] The subject application is not based on proposed use but is instead based on use in Canada since at least as early as June 1, 1995. Pleading that an application does not comply with section 30(e), when the application is based on use in Canada as opposed to proposed use, is not a proper ground of opposition [*Novopharm Ltd v Astra Aktiebolag* (2002), 6 CPR (4th) 101 (TMOB)].

[17] Accordingly, the section 30(e) ground of opposition is dismissed.

## **Ground of opposition based on section 30(i)**

[18] Section 30(i) of the Act only requires the applicant to declare that it is entitled to use the Mark in Canada in association with the goods and services described in the application. Such a statement is included in this application. An opponent may rely on section 30(i) in specific cases

such as where 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)].

[19] The Opponent alleges that contrary to sections 38(2)(a) and 30(i), the Applicant could not properly have been satisfied that it was entitled to use the Mark in Canada. The ground of opposition pleaded reads as follows:

The Mark is not registrable in view of Sections 38(2)(a) and 30 (i) of the *Trade-marks Act* because the Applicant could not properly have been satisfied that it was entitled to use the Mark in Canada in association with the wares and services described in the application. Not to limit the foregoing, in particular, a company related to the Applicant, Western Water Farms Inc. (WWF), and the principal shareholder of WWF, Kelly Zastowny, entered into an agreement with the Opponent dated November 18, 2004, whereby [WWF] sold all of the property and assets of its business to the Opponent, including the [Drip Man Design] and which the Opponent has used in association on [sic] the following services, namely the sale of hydroponic gardens and supplies, nursery pots, tables for growing hydroponic gardens, plant fertilizers, latex gloves, pond liners, koi and goldfish, food for koi and goldfish, lighting for ponds and gardens, garden décor, plants for ponds, water fountains for use in gardens and ponds and garden chimes, since at least as early as 2005, and has not abandoned the Drip Man Design.

[20] In its written submissions, the Opponent alleges the Applicant showed bad faith in filing the application after it knew or should have known the Drip Man Design had been sold to the Opponent, considering Mr. Zastowny was the principal of both WWF and the Applicant. This issue is discussed below.

[21] The Opponent further alleges that the Applicant showed bad faith as it provided no evidence of use of the Mark on the claimed date of first use (June 1, 1995), nor did it show any use of many of the goods and services at any time. I dismiss this issue as there is no requirement for an opponent to furnish this evidence in order to comply with section 30(i). Such an issue is more appropriately raised under section 30(b) of the Act.

[22] I note that the Opponent is using the expression “bad faith” in its written argument while such expression does not appear in the ground of opposition pleaded. However, from the facts alleged in the ground of opposition reproduced above, and the Opponent’s evidence to be described below, it can be inferred that the Opponent was trying to prove bad faith on the part of the Applicant.

[23] A summary of those portions of Ms. Probert's affidavit relating to the Opponent's allegation of ownership of the Drip Man Design are set out below.

[24] Ms. Probert is the President of the Opponent, and has been involved in all aspects of the business of the Opponent since its incorporation. She became an employee of WWF in January 2000, and its general manager in 2001, but resigned in May 2004 due to disagreements with WWF's owner, Mr. Zastowny.

[25] After hearing that Mr. Zastowny was looking for a purchaser for WWF, she and two employees of WWF decided to purchase the assets of WWF and entered into negotiations to do so in 2005.

[26] An Asset Purchase Agreement between WWF, the Opponent, and Mr. Zastowny was reached and is dated November 18, 2005 (the Agreement), and a copy is attached as Exhibit A. The Agreement identifies WWF as the "Seller", the Opponent as the "Buyer", and Mr. Zastowny as "Shareholder".

[27] Paragraphs 1.1 and 1.2 of the Agreement read as follows:

**1.1 Description of Assets.** Upon the terms and subject to the conditions of this Agreement, the Seller agrees to sell, assign and transfer to the Buyer, and the Buyer agrees to purchase from the Seller, as a going concern at closing, the undertaking and all the property and assets of the Seller's Business of every kind and description wherever situate (except as provided in paragraph 1.2), including, without limiting the foregoing:

- (a) the improvements, appurtenances and fixtures on the leasehold property ("Leasehold Property") described in the Schedule "A";
- (b) the machinery and equipment ("Equipment") described in Schedule "B";
- (c) all inventories as set out in the Schedule of Inventory ("Inventories");
- (d) all right and interest of the Seller to all licenses, permits, or other operating authority, relating to the Business issued by any governmental or other authority ("Licenses"), and which is transferable;
- (e) the prepaid expenses ("Prepaid Expenses");
- (f) the goodwill of the Seller's Business and the right of the Buyer to represent itself as carrying on the Seller's Business in continuation of and in succession to the Seller and the right to use the name "Western Water Farms Inc." or any

variation thereof as part of or in connection with the Seller's Business ("Goodwill");

(collectively "Assets").

1.2 **Exclusions.** Notwithstanding the foregoing, the Assets shall exclude all cash on hand, and on deposit.

[28] I note that the Agreement contains no schedule or listing of intellectual property assets, and no reference to the Drip Man Design. Only the right to use the name "Western Water Farms Inc." is referenced at paragraph 1.1(f).

[29] Ms. Probert states that as part of the negotiations for the purchase of the business assets of WWF, the Opponent took over the lease of the building in which WWF had been operating its business, and where it continues to do business today. The Opponent also took possession of all the assets for WWF, which she alleges include but are not limited to "all of the signage, fixtures, inventory, and trade-marks". She asserts that one of these assets was the Drip Man Design.

[30] Ms. Probert asserts that based on her involvement with WWF, as a general manager, and by discussions and negotiations with Mr. Zastowny and WWF, that she was led to believe that the trade-marks being used by WWF were owned by WWF prior to the purchase by the Opponent.

[31] Ms. Probert states that subsequent to the Opponent's purchase of the assets of WWF, there have been disputes relating to intellectual property, and attaches copies of letters (Exhibits C-1 and C-2) from the Opponent's lawyer to WWF's lawyer regarding ownership and access to various 'western water farm' domain names. She states that from the negotiations related to the transfer of websites to the Opponent, she believed she was accurate in believing that the Agreement transferred ownership in all WWF's intellectual property to the Opponent. I note that the attached letters make no mention of the Drip Man Design.

[32] Ms. Probert alleges that the Drip Man Design was a trade-mark of WWF prior to the assignment of the assets of WWF to the Opponent. To support this statement, she attaches two examples of the alleged use of the Drip Man Design prior to the sale of WWF's assets to the Opponent:

- Exhibit D-1 is a copy of the back cover and first page of the WWF 2001 wholesale catalogue allegedly displaying the Drip Man Design as a trade-mark of WWF;
- Exhibit D-2 is a photograph of a sign of the Drip Man Design that appears above the door of the Opponent's place of business. She states that it was located at the same place when she was first employed by WWF in 2000.

[33] Ms. Probert states that since the day the Opponent opened its business, the Opponent has displayed the Drip Man Design as one of its trade-marks. She states that the Opponent was never told by anyone, including Mr. Zastowny, that the Drip Man Design was not sold to the Opponent as part of the sale of the WWF assets.

[34] Ms. Probert states that the Opponent filed an application to register the Drip Man Design mark as reproduced below under application No. 1,641,542 on August 29, 2013 (Exhibit E):



[35] Ms. Probert states that the Opponent has displayed the Drip Man Design in a variety of ways including:

- Exhibit F-1: on a sign over the door of the Opponent's store. Ms. Probert states that this sign has been displayed in the same position since before the Opponent purchased the business. I note that this Exhibit is identical to Exhibit D-2 (this is confirmed on cross-examination, as discussed below);
- Exhibit F-2: on a stained glass insert affixed to the side of Ms. Probert's desk. She states that she purchased this stained glass from a friend in 2002, and that it was "displayed prominently for customers to see from 2002, to the present time". I note that on cross-examination, Ms. Probert indicated that she received the stained glass insert as a gift from a friend (Probert transcript at Q120, 121).

[36] Ms. Probert sets out as Exhibits G-1 to G-9 invoices purporting to show use of the Drip Man Design by the Opponent in association with the services set out in the Opponent's pending



application No. 1,641,542 (see Exhibit E). Most of these invoices appear to have been issued by third parties to the Opponent. I note that the Drip Man Design does not appear on any of them.

[37] On cross-examination, Ms. Probert made a number of admissions that undermine the allegation that she had been led to believe that WWF was the owner of the Drip Man Design before she purchased WWF's assets and therefore was part of the assets acquired by the Opponent. On the contrary, her admissions indicate that she understood and was fully aware that WWF operated independently from the Applicant, and that it was the Applicant who owned and used the Drip Man Design. These admissions are corroborated by the Applicant's evidence.

[38] Relevant facts and admissions from Ms. Probert's cross-examination include the following:

- The Applicant did business as Nutrilife when Ms. Probert was an employee of WWF (Q60);
- When Ms. Probert was employed by WWF, she knew that the Applicant and WWF were both owned by Kelly and Sharon Zastowny but operated from different premises (Q61, 62);
- The Applicant's Nutrilife products were sold at WWF's retail store when Ms. Probert was an employee of WWF (Q64);
- Ms. Probert was aware before the Opponent bought the assets of WWF that the Applicant sold its Nutrilife products to other dealers and retailers (Q66);
- When Ms. Probert was an employee of WWF, she was aware that WWF sold products made by the Applicant and also sold products made by other manufacturers (Q67);
- After the Opponent bought the assets of WWF, the Opponent bought and sold products made by the Applicant (Q68). The labels of those products featured the name Nutrilife (Q69) and the Drip Man Design mark (Q70);
- The Applicant is not a party to the Agreement (Q98), and the Opponent only purchased the assets of WWF through the Agreement (Q99);
- Exhibits D-2 and F-1 are pictures of the same sign placed over the back door of the retail store (Q110). The sign is not visible from the street (Q111). The sign was over the back

door of WWF's retail store when Ms. Probert began working there in the year 2000 (Q112);

- Ms. Probert does not know the arrangements the Applicant and WWF had made regarding WWF's use of the Drip Man Design mark (Q117);
- Exhibit F-2 to Ms. Probert's affidavit references a stained glass insert. She received it as a gift from a friend (Q120, 121) and it was first displayed in WWF's store in 2002 (Q125);
- Exhibit D-1 to Ms. Probert's affidavit is stated to be a copy of the back cover and first page of the WWF 2001 wholesale catalogue (Q135). This was created by WWF before the Opponent bought the assets of WWF (Q136). She cannot say what arrangements the Applicant and WWF made regarding WWF's use of the Drip Man Design on this catalogue (Q143);
- In 2001, WWF had its own logo featuring the name Western Water Farms and a leaf with a drop of water falling from it (Q144). That logo did not and does not feature the Drip Man Design (Q146);
- WWF was using that Western Water Farms logo when Ms. Probert was an employee of WWF, and the Opponent continues to use that logo (Q147/48; see also Q164/65);
- Ms. Probert understood that the Opponent was not buying trade-marks owned by the Applicant (Q157);
- Ms. Probert was aware that the Applicant sold its Nutrilife products to other dealers in Canada (Q168; see also Q179-186);
- In 2002, the Applicant, Grower's Choice Wholesale Inc., and WWF were all owned or controlled by Kelly and Sharon Zastowny (Q188). The Applicant was a manufacturer, Grower's Choice was a wholesaler, and WWF was a retailer (Q188-191);
- Ms. Probert was aware when she was employed by WWF that the Applicant invoiced WWF for products purchased by WWF, and that the Drip Man Design appeared on the invoices (Q216-222);
- Ms. Probert recognized WWF and the Applicant were separate businesses (Q230) and understood the two entities to have their own assets and liabilities (231);
- Before the Agreement was signed, Ms. Probert was aware the Applicant was using the Drip Man Design (Q263);

- Exhibits 16, 18, 20, and 23 to her cross-examination are invoices from the Applicant to the Opponent bearing the Drip Man Design dated November 25, 2005, December 14, 2005, January 4, 2006, and January 19, 2007, respectively. Ms. Probert confirms she would have seen these invoices, all of which postdated the Agreement, and that she did not raise any objections to the Applicant's use of the Drip Man Design at those relevant times (Q280-Q294; Q301-310; Q315-321; Q341-342);
- Ms. Probert agrees that the Opponent was purchasing products from the Applicant from about April 2005 to at least January 2007 (Q343), and on every label of the Applicant's products that were purchased by the Opponent was 'Nutrilife' and the Drip Man Design (Q344);
- By May 2007, the Opponent had ceased purchasing product from the Applicant (Q353);
- Exhibit 24 to her cross-examination is a letter dated May 23, 2007 in which the Opponent (through counsel) complained that the Applicant was advising wholesalers not to sell the Applicant's products to the Opponent (Q354). Ms. Probert acknowledges that those products that the Opponent was able to purchase from those other wholesalers all displayed the "Nutrilife" name and the Drip Man Design on the labels (Q357). She acknowledges that the Opponent's complaint did not include any objections to the Applicant's continued use of the Drip Man Design;
- Exhibit 25 to her cross-examination is a copy of a greeting card dated June 11, 2013, from Ms. Probert to Mr. Zastowny, in which she objects for the first time to the Applicant's use of the Drip Man Design (Q371 and Q380).

[39] These facts and admissions demonstrate that the Opponent was aware that the Applicant was a separate entity and the manufacturer of products offered under the Nutrilife and Drip Man Design marks prior to its purchase of WWF's business. They also demonstrate that the Opponent recognized that the Applicant sold the products bearing the Nutrilife and Drip Man Design marks to the Opponent both before and after the sale of WWF's assets to the Opponent. Moreover, they establish that the Opponent's objection to the Applicant's use of the Drip Man Design arose approximately eight years after the sale of WWF's business to the Opponent, and six years after the Applicant decided not to sell any more products to the Opponent.

[40] Turning to the Applicant's evidence, I note the following allegations in Mr. Zastowny's affidavit:

- From the 1990s up to the sale of the assets of WWF to the Opponent, he and Sharon Zastowny operated three independent companies namely, the Applicant, WWF, and Grower's Choice. Each one of them had distinct responsibilities, while under the common control of himself and Sharon Zastowny;
- The Applicant was engaged in the production of hydroponic products, and the retail sale of these products was conducted through WWF, while wholesale responsibilities were entrusted to Grower's Choice. In addition to the Applicant's products, WWF and Grower's Choice also carried products of other manufacturers. He includes as Exhibit G copies of documents of WWF showing the Applicant as a vendor to WWF. Exhibit H includes copies of documents of the Applicant showing WWF as a customer, and the Drip Man Design used on invoices issued by the Applicant to WWF in 2003, 2004 and 2005;
- Each entity – the Applicant, WWF, and Grower's Choice – had its own corporate existence and independent bank accounts (paragraph 14);
- The Agreement concerning the 2005 sale to the Opponent concerned the assets of WWF only. He states that it was never his intention to sell the Applicant or any of its assets, including its intellectual property. He also states that the Mark was never at any point in time sold to the Opponent, and that WWF never “acquired any rights in the Mark that it could assign to the Opponent through the Agreement” (paragraph 43);
- The Applicant has been continuously using the Mark in the course of its business, both before and after the sale of the assets of WWF. He points to the selection of product offerings by the Applicant displaying the Mark on either the front or back label of these products, both before and after the sale of the assets to WWF in 2005 (see Exhibit B, L, M, Q, R, T and U). These products were sold by the Applicant to the Opponent up until early 2007, when the Applicant refused to make further sales to the Opponent due to non-payment of accounts;
- The Drip Man Design, in addition to being displayed on the Applicant's products sold to the Opponent, was also displayed on its invoices. Exhibit FF includes copies of 20

sample invoices bearing the Drip Man Design, issued by the Applicant to the Opponent in 2006 and 2007. He states that the Opponent did not express any concern over the Applicant's use of the Drip Man Design on products or on the invoices, including not in a letter dated May 23, 2007 sent by the Opponent's counsel to Mr. Zastowny and his counsel (Exhibit GG), until the receipt of a greeting card from Ms. Probert dated June 11, 2013 (Exhibit HH);

- The Drip Man Design also appeared on invoices issued by the Applicant to other parties until 2013. Exhibit Y to Mr. Zastowny's affidavit includes copies of 40 sample invoices issued by the Applicant to various customers in the years 2003, 2006, 2007, 2008, 2009, 2010 and 2012. Mr. Zastowny states that, except for the 2003 invoices, the Drip Man Design was used on each of these invoices;
- The Applicant's annual sales of products from 1995 through to 2015 are in the range of hundreds of thousands to millions of dollars. He indicates that the volume of production for the year 2015 is approximately one million liters, or 100,000 bottles, produced in two manufacturing facilities owned by the Applicant. This statement can be given little weight as it does not indicate what proportion of the sales are in association with the Mark.

[41] Based on the foregoing, I find the Opponent did not discharge its initial burden of proving the Applicant's bad faith. Nothing in the record leads me to conclude that, on the filing date of the application, the Applicant was in bad faith in declaring that it was satisfied it had the right to use the Mark. On the contrary, the record shows that the Drip Man Design was never sold to or acquired by the Opponent.

[42] If I am wrong in concluding that the Opponent failed to discharge its initial evidentiary onus, I find that the Applicant has nonetheless met its burden to prove, on a balance of probabilities, that it was satisfied that it was entitled to use the Mark in Canada in association with the Goods and Services at the filing date of its application.

[43] Accordingly, the section 30(i) ground of opposition is dismissed.

### **Ground of opposition based on section 30(b)**

[44] The Opponent has pleaded that the Mark is not registrable in view of section 30(b) in that the Mark has not been used by the Applicant with the Goods and Services since June 1, 1995, the claimed date of first use.

[45] To the extent that the relevant facts pertaining to a ground of opposition based on section 30(b) of the Act are more readily available to the applicant, the evidentiary burden on the opponent with respect to such a ground of opposition is less onerous [see *Tune Master v Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB)]. Furthermore, this burden can be met by reference not only to the opponent's evidence but also to the applicant's evidence [see *Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) (FCTD) 216]. However, the opponent may only successfully rely upon the applicant's evidence to meet its initial burden if the opponent shows that the applicant's evidence puts into issue the claims set forth in the applicant's application [see *Corporativo De Marcas GJB, SA DE CV v Bacardi & Company Ltd* 2014 FC 323 at paras 30-38 (CanLII)].

[46] In its written submissions, the Opponent argues that based on its evidence and portions of the Applicant's evidence, it has met its evidentiary burden in that; (a) use of the Mark and the Drip Man Design prior to 2005 was by WWF, and not the Applicant; (b) neither WWF nor the Applicant used the Mark with any of the Goods and Services listed in the application on or before June 1, 1995, and (c) since June 1, 1995, neither WWF nor the Applicant have used the Mark with all of the Goods and Services.

[47] Regarding the Opponent's first assertion, namely that use of the Drip Man Design and the Mark prior to 2005 was by WWF, the record shows that use of the Mark and the Drip Man Design prior to and after 2005 was by the Applicant. As discussed above, Ms. Probert's admissions on cross-examination demonstrate that the Opponent clearly understood the three-prong operational arrangement between the Applicant, WWF and Grower's Choice, with WWF being one of the retailers offering for sale and selling the Applicant's products bearing the Mark.

[48] Further, the Applicant's uncontroverted evidence is that the display of the Drip Man Design in and outside the premises of WWF (including on the signage, stained glass insert, and

catalogue referenced in Exhibits D and F of the Probert affidavit) was based on an oral license granted to WWF by the Applicant, and was used to identify that the Applicant's products were available for sale at WWF, in order to boost the sales of WWF and the Applicant (paragraph 44 of the Zastowny affidavit). Mr. Zastowny adds that the Applicant also granted an oral license to Grower's Choice to identify that the Applicant's products were distributed by Grower's Choice, with the same intention of boosting the sales of Grower's Choice and the Applicant.

[49] I note that Mr. Zastowny's affidavit does not include an assertion of control by the Applicant over the quality or character of the Goods and Services. However, based on the information available, specifically the common directorship of these companies by Kelly and Sharon Zastowny, I am prepared to infer that the requisite control existed [see *Petro-Canada v. 2946661 Canada Inc.* (1998), 83 CPR (3d) 129 (FCTD)].

[50] Mr. Zastowny states that he did not ask the Opponent to remove the Drip Man Design sign over the back door of the Langley store after the Agreement was made as the Opponent was a retailer of the Applicant's products until 2012. Mr. Zastowny indicates that he demanded in late February/March 2012 that the Drip Man Design sign be taken down due to a dispute with the Opponent.

[51] To support the Opponent's second assertion that neither WWF nor the Applicant used the Mark on or before June 1, 1995, the Opponent refers to paragraph 19 of the Zastowny affidavit, which states that:

...the Drip Man Design, an original design and creation of Sharon **in 1995** using her artistic inspiration, was designed to function as a logo to promote the Applicant's business. The Drip Man has been used as such from the date of creation continuously through to the date of this Affidavit. **[emphasis added]**

[52] The Opponent argues that the Applicant would have had information of the specific date, but did not allege that the creation was before the date of first use stated in the application, such that use of the Mark must therefore be assumed to have occurred after June 1, 1995. The Opponent argues that the Mark applied for cannot have been said to have been in use without the Drip Man Design portion of the Mark, and that on its face, use from the date of creation would

not be possible as it would take time for the design to be printed, attached to the goods and sold in the normal course of trade, and used as promotional material in association with services.

[53] Based on a fair reading of the Zastowny affidavit, I do not agree that the statements made by Mr. Zastowny, including those in paragraphs 19 through 36 of his affidavit, put into issue the claimed date of first use. The fact that Mr. Zastowny did not indicate the month in 1995 when his wife Sharon created the Drip Man Design cannot be said to mean that the Drip Man Design would not have been used as part of the Mark since June 1, 1995.

[54] The Opponent did not file any evidence challenging the claimed date of first use of the Mark by the Applicant. Therefore, the Applicant was under no obligation to evidence its claimed date of first use [see *Kingsley v Ironclad Games Corporation*, 2016 TMOB 19 (CanLII), at para 63]. In that context, the aforementioned allegations contained in Mr. Zastowny's affidavit were provided as background information on the creation of the Mark and not to prove a claimed date of first use.

[55] I further note that the Opponent could have explored Mr. Zastowny's statements through cross-examination but elected not to do so.

[56] The Opponent's third assertion is that it has met its initial evidentiary burden by establishing that, since June 1, 1995, neither WWF nor the Applicant has used the Mark with all of the Goods and Services. The Opponent alludes to research conducted by Ms. Probert on the goods currently sold using the Applicant's Mark, and sets out a list (see paragraph 19 of her affidavit) of products for which she was unable to find any evidence of use of the Mark. Notably, Ms. Probert fails to provide any information on the method or scope of this purported research, such that it cannot be given much weight.

[57] The Opponent also seeks to rely on the Applicant's evidence, stating that all of the use of the Mark alleged in the Zastowny affidavit is well after the claimed date of first use of June 1, 1995. I revert to my comments regarding the consequences of the Opponent's failure to tender evidence that would have raised serious doubts regarding the claimed date of first use of the Mark alleged by the Applicant in its application. Consequently, the Applicant was under no



obligation to file evidence establishing use of the Mark since the claimed date of first use in association with each of the Goods and Services.

[58] Consequently, in view of the Opponent's failure to meet its initial burden, the section 30(b) ground of opposition is dismissed.

#### **Ground of opposition based on section 16(1)(a)**

[59] For the entitlement ground pleaded, the Opponent has an initial burden to prove that it had used the Drip Man Design in Canada prior to the Applicant's claimed date of first use, namely June 1, 1995.

[60] There is no evidence in the record of prior use of the Drip Man Design by the Opponent. Accordingly, in view of the Opponent's failure to meet its initial burden, the section 16(1)(a) ground of opposition is dismissed.

#### **Ground of opposition based on section 2**

[61] Under this ground of opposition, the Opponent must show that as of August 5, 2014, the filing date of the statement of opposition, its Drip Man Design mark had become known sufficiently to negate the distinctiveness of the Applicant's Mark [*Bojangles' International, LLC v Bojangles Café Ltd* (2004), 40 CPR (4th) 553, affirmed (2006), 48 CPR (4th) 427 (FCTD)].

[62] As discussed above, I find that the evidence does not support the Opponent's allegation that it is the owner of the Drip Man Design. On the contrary, the record demonstrates that the Applicant has always been the manufacturer of the products sold in association with the Mark while the Opponent, and its predecessor in title WWF, was a retailer of the Applicant's products. Even after the Applicant stopped selling its products to the Opponent in 2007, the Opponent continued to acquire the Applicant's products through third party wholesalers for retail sale in its store (paragraph 45 of Zastowny affidavit).

[63] Based on a fair reading of the evidence, I am of the view that as of the material date, the display of the Drip Man Design on the interior signage of the Opponent's retail store, and on a stained glass insert on a desk (Exhibits F-1 and F-2 of the Probert affidavit) would signal to

consumers the Opponent's identity as a retailer of the Applicant's products, as opposed to ownership of the Drip Man Design.

[64] As the Opponent has failed to meet its initial burden, the section 2 ground of opposition is dismissed.

### **Disposition**

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

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

**TRADE-MARKS OPPOSITION BOARD  
CANADIAN INTELLECTUAL PROPERTY OFFICE  
APPEARANCES AND AGENTS OF RECORD**

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**HEARING DATE:** No Hearing Held

**AGENT(S) OF RECORD**

Ann Carlsen & Company

FOR THE OPPONENT

Borden Ladner Gervais LLP

FOR THE APPLICANT