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Citation: 2021 TMOB 77

Date of Decision: 2021-04-28

IN THE MATTER OF AN OPPOSITION

Turbo-K Limited

Opponent

and

Roselli Chemicals Inc.

Applicant

1,785,765 for TURBO-K

Application

INTRODUCTION

[1] Roselli Chemicals Inc. (the Applicant) has applied to register the trademark TURBO-K (the Mark) in association with the following goods and services (Goods and Services) based on a claim of use in Canada since January 27, 2011:

Goods: (1) Cleaning preparations for jet engines, gas turbines, and industrial machinery

Services: (1) Wholesale and retail sale of cleaning preparations for jet engines, gas turbines and industrial machinery; (2) operating a website providing instructional and educational information in the fields of the safe handling, use and storage of cleaning products for jet engines, gas turbines and industrial machinery

[2] The grounds of opposition pleaded by Turbo-K Limited (the Opponent) are based on sections 30(b) and (i), 16(3)(a) and (c), and 2 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). As the Act was amended on June 17, 2019, all references in this decision are to the Act as amended, with the exception of references to the grounds of opposition (see section 70 of the

Act, which provides that section 38(2) of the Act as it read prior to June 17, 2019 applies to applications advertised before this date).

[3] For the reasons that follow, the application is refused.

THE RECORD

[4] The application for the Mark was filed on June 6, 2016 and was advertised for opposition purposes in the *Trademarks Journal* of February 22, 2017. On April 20, 2017, the Opponent filed a statement of opposition under section 38 of the Act.

[5] On June 21, 2017, the Applicant filed and served a counter statement denying the grounds of opposition.

[6] In support of its opposition, the Opponent filed the affidavit of Oliver Platz (sworn October 20, 2017). The Applicant elected not to file any evidence. Only the Opponent filed a written argument, and no hearing was held.

LEGAL ONUS AND EVIDENTIAL BURDEN

[7] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, the Opponent must first adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298; *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA)].

ANALYSIS OF THE GROUNDS OF OPPOSITION

Section 30(b) ground of opposition

[8] The material date for considering a ground of opposition under section 30 of the Act is the date of filing of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475].

[9] The Opponent has pleaded the Applicant has not used the Mark in Canada since January 27, 2011 as claimed.

[10] Section 30(b) of the Act requires there be continuous use of the applied for trademark in the normal course of trade from the date claimed to the date of filing the application by the applicant (or its named predecessor in title, if any) [*Labatt Brewing Co v Benson & Hedges (Canada) Ltd* (1996), 67 CPR (3d) 258 (FCTD) at 262].

[11] The evidential burden on an opponent respecting the issue of an applicant's non-compliance with this section of the Act is a light one [*John Labatt Ltd v Molson Companies Ltd.* (1990), 30 CPR (3d) 293 (FCTD) at 298; *Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd*, 2014 FC 323 at paras 33-38]. If an opponent meets its evidential burden, an applicant must prove, on a balance of probabilities, that it has used the trademark as of the date claimed.

The Opponent meets its evidential burden

[12] The Opponent filed the affidavit of Oliver Platz, the sole Director of the Opponent (paras 1, 2). Mr. Platz states that the Opponent has been selling its TURBO-K gas turbine engine compressor cleaners worldwide since 1998 and continues to sell the products. The products are toll manufactured for the Opponent and are of UK/EU origin. Mr. Platz states that no agreement has ever been entered into between the Opponent and the Applicant for the transfer of goodwill or other intellectual property rights (paras 3, 4).

[13] Mr. Platz attaches a number of documents which indicate that the Applicant was a distributor of the Opponent's TURBO-K branded goods. Mr. Platz also attaches documents that pertain to the Applicant's relationship with another entity, Turbo-K International Limited (TKI), which is not related to the Opponent. These documents indicate that the Applicant's relationship with TKI is as a distributor of TKI's competing products that are also sold under the trademark TURBO-K.

[14] I find the following sufficient to meet the Opponent's light evidential burden, particularly in view of the fact that the Applicant failed to cross-examine Mr. Platz, file any evidence, or make any submissions to refute this evidence. While portions of the Opponent's evidence

comprise hearsay, I am considering them for the truth of their contents. I consider it necessary for the Opponent to file these documents in support of its opposition and reliable since the Applicant, as a party to this proceeding, had an opportunity to refute the statements therein [*Reliant Web Hostings Inc v Tensing Holding BV* 2012 CarswellNat 836 (TMOB) at para 35].

Applicant identified as distributor of the Opponent's TURBO-K branded goods

- a) A copy of the federal corporation information for the Applicant (Exhibit C) indicates that it was originally incorporated in 1997. The Applicant's listed directors are Rony Roselli, Henry Cheng, and Teryl Hilderman.
- b) Exhibit D is a copy of a letter of appointment from the Opponent dated April 19, 2011, appointing the Applicant as the exclusive master distributor for the Opponent's TURBO-K gas turbine engine compressor cleaners. The letter states that this "exclusive master distributorship is extended to ... North American Countries", is effective immediately, and will remain in effect until January 30, 2014. I understand that this jurisdiction would include Canada.
- c) Exhibit E is described as a copy of a Linked In post, dated April 20, 2011, by Mr. Roselli to his personal LinkedIn page. A partial excerpt from the post is set out below:

I would like to introduce my company Roselli Chemicals Inc., a Master Distributor of Turbo-K Gas Turbine Compressor Cleaner for many countries...

Turbo-K product is manufactured by Turbo-K Ltd., UK and is specially designed for on-line (hot wash) and off-line (cold wash) cleaning of gas turbine compressors... (emphasis added)

Applicant subsequently identified as a distributor of TURBO-K branded goods by TKI

[15] Mr. Platz states that TKI is totally unrelated to the Opponent, and has never been authorized by the Opponent to use TURBO-K as a trademark or as part of its trade name (para 8). These parties are engaged in litigation over TKI's use of the trademark and trade name TURBO-K, and the Opponent strenuously objects to any use by or ownership of rights in the TURBO-K trademark by TKI in Canada (paras 14,15). That being said, as I understand it, the

Opponent takes the position that to the extent that the Applicant could be said to hold any rights over the Mark through its dealings with TKI, these rights would be as a distributor, and not as the owner of the Mark.

[16] The following documents indicate the Applicant's role is as distributor of TURBO-K branded goods for TKI:

- Exhibit G is a copy of a letter of appointment from TKI. The letter "is to certify that Roselli Chemicals Inc (the Applicant)... is our (TKI's) exclusive master global distributor to offer for sale our Turbo-K Gas Turbine Compressor On-Line and Off-Line Cleaners". The letter, signed February 26, 2016 is stated to be effective immediately and remaining in effect until June 16, 2021.
- Exhibit H consists of printouts from the Applicant's website *www.rosellichemicals.com* (para 13). The printouts (printed 7/4/2017) state that the TURBO-K trademark is owned by TKI, and that the TURBO-K product is shipped directly from the Turbo-K plant in the UK and "distributed globally through our agents and distributors".
- Exhibit I is identified as a letter from the Applicant to the Opponent's UK counsel (para 15). The letter, dated June 16, 2015, states ... "please be advised that we (Roselli Chemicals Inc.) are just a distributor of the products manufactured by Turbo-K International Limited".

Analysis

[17] It is well established that use in Canada by a distributor of goods bearing the trademark of a foreign trademark owner is "use" by the foreign owner [*Manhattan Industries Inc. v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (Fed. T.D.)]. In other words, the use of a trademark by a distributor does not enure to the benefit of the distributor, but rather to the owner of the trademark.

[18] The letter of appointment effective April 19, 2011, and the subsequent LinkedIn announcement (Exhibits D and E), indicate that the Applicant was a distributor for the Opponent's TURBO-K products until the expiration of the distribution agreement in January

2014. Accordingly, any use of the Mark during this time would have enured to the benefit of the Opponent.

[19] Further, notwithstanding that the Opponent takes issue with any rights alleged by TKI over the trademark TURBO-K, the documents at Exhibits G, H, and I (summarized above at paragraph 16) suggest that to the extent that the Applicant holds any rights to the trademark TURBO-K in Canada through its relationship with TKI, that these rights would also only be as a distributor. Accordingly, any use of the Mark during this time would not enure to the benefit of the Applicant.

[20] Based on the foregoing, I am satisfied that the Opponent has provided sufficient facts to put into question the Applicant's claim of continuous use of the Mark from the date claimed (January 27, 2011) to the date of filing of the application (June 6, 2016).

[21] As the Opponent has satisfied its initial burden, and considering the Applicant has elected not to file any evidence, the Applicant has failed to meet its legal onus. Accordingly, this ground of opposition is successful.

Section 30(i) ground of opposition

[22] Section 30(i) of the Act only requires an applicant to declare itself satisfied that it is entitled to use the mark applied for in Canada in association with the goods and services described in the application; this has been done in the present case. An opponent may rely on section 30(i) in specific cases such as, for example, where bad faith on the part of the applicant is alleged or other exceptional circumstances that render the applicant's statement untrue [*Sapodilla Co Ltd v Bristol Myers Co* (1974), 15 CPR (2d) 152 (TMOB)]. In *McCabe v Yamamoto & Co (America) Inc* (1989), 23 CPR (3d) 498 (FCTD), Mr. Justice Joyal discussed one such exception as follows:

23 What these cases make clear to me is that the law will preclude a distributor from appropriating and registering the trade mark of another, usually a manufacturer, who is the owner of the mark in the country of origin. In the case before me, T-Line Golf was a manufacturer with a licence to use the trade mark. Thus, any use of the mark in Canada by the distributor could only be to the benefit of that person who owned or was licensed to use the trade mark...

[23] In the present case, the Opponent has pleaded that the Applicant could not be satisfied of its entitlement to use the Mark in Canada “in view of its knowledge of the prior or concurrent use in Canada of the trademark and trade name TURBO-K and TURBO-K by the Opponent in association with gas turbine engine compressor cleaner solutions and related services, amongst others...”

[24] While mere awareness of another party’s trademark does not necessarily preclude an applicant from making the statement required by section 30(i) of the Act [*Woot, Inc v WootRestaurants Inc*, 2012 TMOB 197], what distinguishes this case, in my view, is the pre-existing relationship between the parties. The Platz affidavit indicates that the parties had a relationship whereby the Applicant was the distributor of the Opponent’s TURBO-K goods in Canada (discussed above at paragraph 14, Exhibits D, E), and I am satisfied that this is sufficient to meet the Opponent’s evidential burden. It is clear from the case law that distributors, licensees and the like should not be allowed to usurp their principals’ trademarks (*McCabe, supra*).

[25] The ultimate onus is on the Applicant and it has advanced no evidence or argument in support of its compliance with section 30(i) of the Act. Accordingly, this ground of opposition is successful.

Section 16(3)(a), 16(3)(c) and 2 grounds

[26] These three grounds of opposition turn on the issue of confusion between the Mark and the Opponent’s trademark TURBO-K and trade name TURBO-K Limited.

[27] As the Application is based on use in Canada, the non-entitlement grounds of opposition pleaded by the Opponent should have been pleaded under sections 16(1)(a) and (c) of the Act instead of 16(3)(a) and (c). However, since these grounds were otherwise set out in sufficient detail for the Applicant to reply, I am prepared to treat this as a typographical error and consider these grounds as if they had been properly pleaded.

[28] An opponent meets its evidential burden under sections 16(1)(a) and 16(1)(c) of the Act if it shows that as of the applicant’s claimed date of use of its trademark in Canada, the opponent’s trademark and trade name had been previously used or made known in Canada and had not been abandoned as of the date of advertisement of the applicant’s application [Section 16(5) of

the Act]. In this case, the Opponent has not provided evidence establishing prior use of the Opponent's trademark or trade name, as a mere assertion of use of a trademark (as made by Mr. Platz at para 4 of his affidavit) is not sufficient. The Opponent has therefore not met its burden under either of these grounds.

[29] For the ground of opposition pleaded under section 2, there is an initial burden on the Opponent to establish that as of the date of filing of the opposition, its trademark or trade name was known to a sufficient extent that could negate the distinctiveness of the Mark [*Bojangles' International LLC v Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (FC)]. To do so, the Opponent must establish that its trademark is either known to some extent in Canada or is well known in a specific area of Canada [*Bojangles* at paras 33-34]. In this case, the Opponent has filed no evidence demonstrating the extent to which its trademark or trade name has become known in Canada.

[30] As the Opponent has failed to meet its initial evidential burden, these grounds of opposition are summarily dismissed.

DISPOSITION

[31] In view of the above, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(12) of the Act.

Jennifer Galeano
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE: No hearing held

AGENT OF RECORD

Perley-Robertson, Hill & McDougall LLP

FOR THE OPPONENT

Deeth Williams Wall LLP

FOR THE APPLICANT