



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 238

Date of Decision: 2022-11-30

IN THE MATTER OF AN OPPOSITION

Opponent: Groupe Marcelle Inc.

Applicant: Annabis, s.r.o.

Application: 1901819 for ANNABIS & Design

INTRODUCTION

[1] Groupe Marcelle Inc. (the Opponent) opposes registration of the trademark ANNABIS & Design, shown below (the Mark), that is subject of application No. 1,901,819 (the Application), filed by Annabis s.r.o. (the Applicant). Colour is claimed as a feature of the Mark, as follows:

Colour is claimed as a feature of the trademark. The colours green, white and black are claimed. The cross in the middle of the trademark is white. The letters 'ANNABIS' are black. The leaf design to the left of 'ANNABIS' is green. The white cross is contained within the middle of a green circle. Commencing at the lower left hand side of the circle, the green is a dark green which fades to a lighter green at the upper right hand side of the circle. A thin white ring surrounds the green circle. A thicker green ring surrounds the thin white ring.



[2] The Application was filed on May 31, 2018, on the basis of proposed use in Canada in association with the statement of goods as reproduced below (the Proposed Goods), together with the associated Nice classes (CI):

- CI 3 (1) Hemp cosmetics, Cosmetic toilet preparations, namely toilet soaps and toilet water, cosmetics, cosmetic products and toiletries, namely preparations for skin care, especially creams, gels, milks, oils and fats, body care cosmetics containing vitamins, massage gels not for medical purposes for rubbing fatigued muscles, recovery preparations, namely muscle recovery oils, and muscle recovery balms; cleaning recovery creams, cleansing milk for toilet purposes, body oils for cleaning purposes, scouring solutions, aromatic ethereal essences for aromatherapy; ethereal oils for personal use, toilet water, toothpaste, all the aforesaid products contain / are made of cannabis.
- CI 5 (2) All-purpose disinfectants; disinfectant soaps; antibacterial gels; antibacterial hand wash; antiseptic preparations; antiseptics; veterinary preparations, namely herbal balms for pets, hemp gels for treating skin conditions for pets, hemp pet shampoo, organic hemp oil for pets, hemp nutritional supplements for pets, veterinary preparations for the treatment of muscle strain and for promoting recovery from tendon injuries in pets; Hemp oil for use as a dietary food supplement; dietary fibre as a food additive; food supplements consisting of amino acids; herbal supplements in the form of a tea for general health and well-being; food supplement namely collagen nutritional supplement for joints, cartilage, tendons, and articular ligaments; herbal supplements for general health and well-being; analgesic balms; multi-purpose medicated analgesic balms; topical analgesic creams; homeopathic anti-inflammatory ointments; cannabidiol [CBD] oil for medical purposes; THC oil for medical purposes; tincture of iodine; hemp oils for medical purposes; creams for the treatment of manifestation of eczema and psoriasis, rashes, sunburn, dry skin, skin with manifestation of varicose, strained muscles, promoting recovery from tendon injuries; Yeast dietary supplements; dietary supplements for general health and well-being in powder form; nutritional supplements for general health and well-being in powder form; dietary and nutritional supplements for promoting weight loss in powder form; protein powders for meal replacement for use as a dietary supplement; skin care preparations for treating acne; skin balms for relieving pain; massage gels for pain relief; hemp emulsions for relieving pain and massaging; Herbal supplement extracts for general health and well-being; combined preparations of the vitamins, minerals; Dietary supplements consisting of trace elements; herbal

extracts for general health and well-being; Pain relief medication; pain relief preparations; Bath salts for medical purposes; Dental anaesthetics; dental polish, medicated toothpaste the treatment of gum disease; Medicated cold relief candy; medicated throat lozenges; medicinal roots, medicinal plants and medication liquid for treating pain; homeopathic anti-inflammatory ointments; cannabidiol [CBD] oil for medical purposes; THC oil for medical purposes; hemp oils for medical purposes; dietary supplements for general health and well-being in powder form; nutritional supplements for general health and well-being in powder form; dietary and nutritional supplements for promoting weight loss in powder form; protein powders for meal replacement for use as a dietary supplement; Herbal supplement extracts for general health and well-being; Dietary supplements consisting of trace elements; herbal extracts for general health and well-being.

CI 30 (3) Foodstuffs namely tea, cocoa, sugar, rice, tapioca, sago, flour, bread, pastry, chocolate confectionery, frozen confectionery, ice-cream, honey, molasses syrup, yeast, baking powder, salt, mustard, vinegar, pickle condiment, spices, pasta, edible wafers, sweetmeats as candy, fruit jellies as confectionery, confectionery in the form of gum and syrups for confectionery, chewing gum, aromatic flavouring for cakes and cookies, pastries of all kinds all containing non-CBD and non-THC forms of hemp.

[3] The Application also claims a priority filing date of February 26, 2018, based upon the Applicant's corresponding application in the Czech Republic (Application No. 546045 in association with the same kind of goods).

[4] The Application was advertised in the *Trademarks Journal* of January 13, 2021. On March 15, 2021, the Opponent filed a statement of opposition against the Application pursuant to section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). Numerous amendments to the Act came into force on June 17, 2019. As the Application in this case was advertised after June 17, 2019, the Act as amended applies (see section 69.1 of the Act).

[5] The Opponent raises grounds of opposition based on non-registrability under sections 12(1)(b) and (d), non-entitlement under section 16(1)(a), non-distinctiveness under section 2, and non-compliance with sections 38(2)(e) and (f) of the Act.

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

THE RECORD

[7] As previously indicated, the Opponent filed its statement of opposition on March 15, 2021.

[8] The Applicant filed and served its counter statement on May 17, 2021, denying the grounds of opposition.

[9] In support of its opposition, the Opponent filed the affidavit of Andrea Ashton, sworn on September 17, 2021, together with Exhibits A to K, and the affidavit of Pascale Zakaib, also sworn on September 17, 2021, together with Exhibits A to H. Additionally, the Opponent filed certified copies of its various ANNABELLE registrations as follows, pursuant to section 54 of the Act: TMA331,978, TMA618,718, TMA856,602, and TMA920,280.

[10] On January 12, 2022, the Applicant provided a statement, pursuant to section 52(3) of the *Trademarks Regulations*, that the Applicant does not wish to submit evidence.

[11] Only the Opponent filed written representations. A hearing was not requested.

OVERVIEW OF THE EVIDENCE

The Ashton Affidavit

[12] Ms. Ashton is a trademark agent employed by the agent for the Opponent.

[13] In her affidavit, Ms. Ashton attaches numerous copies of various pieces of Canadian legislation as well as the search results of various Government of Canada databases as follows:

- Exhibit A – a copy of the *Canadian Natural Health Products Regulations*, SOR/2003-196;
- Exhibit B – a copy of the *Canadian Food and Drugs Act* R.S.C., 1985, C. F-27;

- Exhibit C – a copy of the *Canadian Food and Drug Regulations*, C.R.C. c 870;
- Exhibit D – a copy of the *Canadian Cosmetics Regulations* C.R.C., c. 869;
- Exhibit E – a copy of the Government of Canada Cosmetic Ingredient Hotlist – *List of Ingredients that are Prohibited for use in Cosmetics Products*, obtained online on March 15, 2021.
- Exhibit F – a copy of the *Cannabis Act* S.C. 2018, c. 16;
- Exhibit G – a copy of the *Cannabis Regulations* SOR/2018/44;
- Exhibit H – a copy of the *Canadian Industrial Hemp Regulations* SOR/2018-145;
- Exhibit I – the results of a search she conducted on March 10, 2021, on the *Canadian Licensed Natural Health Products Database* (LNHPD), maintained by Health Canada, for the name Annabis as a Licence Holder;
- Exhibit J – the results of a search that she conducted on March 10, 2021, on the LNHPD for the brand name Annabis; and
- Exhibit K – the results of a search that she conducted on March 10, 2021, on the *Canadian Drug Product Database*, maintained by Health Canada, for the company name Annabis.

The Zakaib Affidavit

[14] Ms. Zakaib is the International Development, Project Manager for the Opponent, a Canadian cosmetics company headquartered in Montreal, Quebec.

[15] She attests that the Opponent is the owner of a family of registered trademarks in Canada. Those trademarks include those listed in Schedule A to this decision, and they are the same trademarks that are relied upon under the confusion grounds in the Opponent's statement of opposition, as well as the subject of the certified copies furnished in accordance with section 54 of the Act.

[16] She attests that the ANNABELLE trademarks have been used in Canada in association with, among other things, cosmetics, make-up and skin care preparations

(the ANNABELLE Products) since at least as early as August 1967, when the brand was launched.

[17] She explains that the ANNABELLE Products are sold in Canada both in retail stores and online, including through the Opponent's own website. Such retailers and third party e-commerce stores include, among others, Pharmasave, Jean Coutu, Shoppers Drug Mart, Walmart Canada, Pharmaprix, and Amazon.

[18] Ms. Zakaib attests that since 2016, annual sales of the ANNABELLE Products by the Opponent have consistently been valued in excess of CAD \$15 million. She provides a breakdown of Canadian sales made by the Opponent for the years 2016 to 2021 (partial year) and attaches as Exhibit A to her affidavit, representative invoices for sales of ANNABELLE Products by the Opponent during this time frame.

[19] With respect to display of the ANNABELLE Trademarks, she provides as Exhibit B to her affidavit photographs which she states are representative of ANNABELLE Products that were sold by the Opponent in Canada during the period 2016 to 2020.

[20] Ms. Zakaib states that the Opponent advertises the ANNABELLE Trademarks and the ANNABELLE Products through its website (Exhibit C), through its third party retailers (Exhibit D) and third party e-commerce websites (Exhibit E), through Milled, a search engine for email newsletters that enables subscribers to access product discounts (Exhibit F), and through social media platforms such as Facebook (Exhibit G) and Instagram (Exhibit H).

[21] Lastly, Ms. Zakaib provides annual advertising figures for the years 2016 to 2021 (partial year), with respect to the Opponent's advertising of the ANNABELLE Products in Canada. She states that such advertising has been in excess of CAD \$14.4 million.

ANALYSIS

Section 12(1)(b) Ground of Opposition

[22] The Opponent alleges that the Mark is not registrable since whether depicted, written or sounded, it is either clearly descriptive or deceptively misdescriptive in the

English or French language of a character or quality of the goods, namely, that the Mark clearly describes that the Applicant's goods contain cannabis.

[23] An opponent's initial burden with respect to a section 12(1)(b) ground of opposition may be met simply by reference to the ordinary dictionary meaning of the words in the applicant's mark [see, for example, *Flowers Canada/Fleurs Canada Inc v Maple Ridge Florist Ltd* (1998), 86 CPR (3d) 110 (TMOB)]. An opponent need not necessarily adduce evidence where its legal argument may be based entirely on the ordinary meaning of words [*McIntosh v La-Co Industries Inc*, 1998 CanLII 18596 (TMOB)].

[24] In the present case, the Opponent has neither filed any evidence relevant to this ground nor made any representations to support that the Mark contravenes section 12(1)(b) of the Act. However, it has been held that when assessing whether a trademark is clearly descriptive or deceptively misdescriptive under section 12(1)(b) of the Act, the Registrar must not only consider the evidence, but also apply common sense in the assessment of the facts [*Neptune SA v Attorney General of Canada* (2003), 29 CPR (4th) 497 (FCTD) at para 11]. In doing so, I cannot find that the Mark is clearly descriptive – it is merely a coined word resulting from the omission of the first consonant in the word “cannabis”, and as a consequence, is merely suggestive of a character or quality of the Proposed Goods rather than clearly descriptive.

[25] As the Opponent has failed to meet its burden, the ground of opposition based on section 12(1)(b) of the Act is dismissed accordingly.

Section 12(1)(d) Ground of Opposition

[26] The Opponent alleges that the Mark is not registrable since it is confusing within the meaning of section 6(2) of the Act, with the following registered trademarks of the Opponent:

- ANNABELLE, TMA331,978;
- ANNABELLE DESIGN, TMA618,718;

- ANNABELLE EXPANDABLE MASCARA, TMA856,602; and
- ANNABELLE STAY SHARP, TMA920,280

[27] Particulars of the Opponent's above-noted registrations are attached as Schedule A to this decision.

[28] An opponent's initial onus is met with respect to a section 12(1)(d) ground of opposition if one or more of the registrations relied upon is/are in good standing. The Registrar has the discretion to check the register in order to confirm the existence of any registrations relied upon by an opponent [see *Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. Having exercised the Registrar's discretion, I confirm that each of the Opponent's ANNABELLE Trademarks relied upon, are in good standing.

[29] Since the Opponent has satisfied its initial evidential burden for this ground of opposition, the issue becomes whether the Applicant has met its legal burden to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and any of the Opponent's ANNABELLE Trademarks.

[30] Furthermore, in considering the issue of confusion, I will primarily focus on the Opponent's ANNABELLE trademark registration No. TMA331,978 as I consider this trademark to represent the Opponent's best chance of success, or at least an equivalent chance of success, due to the absence of additional distinguishing matter in this case. If the Mark is not confusing with this trademark, it will not be confusing with any of the remaining trademarks relied upon by the Opponent.

[31] I now have to determine, on a balance of probabilities, if the Mark is likely to cause confusion with the Opponent's ANNABELLE trademark registration No. TMA331,978 (the ANNABELLE Mark).

The Test for Confusion

[32] The test for confusion is assessed as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the applicant's mark, at a time when he

or she has no more than an imperfect recollection of the opponent's trademark, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20].

[33] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those listed at section 6(5) of the Act, namely: a) the inherent distinctiveness of the trademarks and the extent to which they have become known; b) the length of time the trademarks have been in use; c) the nature of the goods, services or business; d) the nature of the trade; and e) the degree of resemblance between the trademarks, including in appearance or sound or in the ideas suggested by them. This list is not exhaustive; all relevant factors are to be considered, and are not necessarily attributed equal weight [see *Mattel, Inc v 3894207 Canada Inc* 2006 SCC 22; *Veuve Clicquot, supra*; and *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27].

Section 6(5)(a) – the inherent distinctiveness of the trademarks and the extent to which they have become known

[34] The Applicant's Mark is on the low end of the spectrum of inherent distinctiveness, as it is suggestive of goods which contain cannabis as an ingredient. The leaf design simply amplifies this notion. Furthermore, the additional graphic matter, namely, the green circle and white cross background is not overly unique and therefore does not in my view significantly impact the overall inherent distinctiveness of the Mark.

[35] The Opponent's ANNABELLE Mark possesses a higher degree of inherent distinctiveness, as the word ANNABELLE has no clear meaning in association with the Opponent's goods. That being said, ANNABELLE is not a coined term, but an ordinary given name; thus, overall, cannot be said to be highly inherently distinctive.

[36] The strength of a trademark may be increased by means of it becoming known in Canada through promotion or use.

[37] The Applicant has not filed any evidence of the commencement of use of its Mark.

[38] On the other hand, the Opponent has filed evidence of use of its ANNABELLE Trademarks. In this regard, the Zakaib affidavit demonstrates significant use of the Opponent's ANNABELLE Trademarks for the years 2016 to 2021 in association with the ANNABELLE Products. The ANNABELLE Mark is clearly marked on the ANNABELLE Products at their time of transfer (Zakaib affidavit, Exhibit B), with such products amassing substantial sales averaging more than CAD \$15 million per year (Zakaib affidavit, paras 12 and 13) to major retailers in Canada (Zakaib affidavit, paras 10 and 11). Further to this, the Opponent's advertising expenditures in association with the ANNABELLE Products during this time period exceeded CAD \$14 million (Zakaib affidavit, para 22). Thus, I am prepared to accept that the Opponent's ANNABELLE Mark would have acquired a significant degree of distinctiveness during this time period.

[39] Having regard to the aforementioned, I find this factor favours the Opponent.

Section 6(5)(b) – the length of time of use

[40] As previously indicated, there is no evidence that the Applicant has commenced use of the Mark in Canada.

[41] While Ms. Zakaib attests that the ANNABELLE brand was launched in August of 1967 and has been used continuously in Canada since, the supporting evidence of use shown in Ms. Zakaib's affidavit pertains to the period 2016 to 2021. In any event, the Opponent's use of its ANNABELLE Mark has been at least 6 years, and has been extensive as per my analysis under section 6(5)(a) of the Act.

[42] Having regard to the aforementioned, I find this factor favours the Opponent.

Section 6(5)(c) and (d) – the nature of the goods and channels of trade

[43] The Opponent submits that under this section of the confusion analysis, a factor that must be weighed is that although the goods in question may not be identical, they

may be related and as such, the degree of their relatedness should be a factor in determining the potential for confusion of the marks [citing *Mattel, supra* at para 27].

[44] Applied to the present case, the Opponent notes the similarities and overlap between the parties' goods. More specifically noting that the Opponent's ANNABELLE Mark is used in association with cosmetics, make-up and skin care preparations, while the Application for the Mark includes a variety of hemp based cosmetics, cosmetic products, and toiletries, all of which contain or are made of cannabis.

[45] I agree with the Opponent that the goods of the parties significantly overlap – they are both in the field of cosmetics and cosmetics related products. Furthermore, I do not find that the niche to which the Applicant endeavours, namely, hemp based products which contain or are made from cannabis, alters this conclusion in any meaningful way. While such niche products of the Applicant may travel through niche or selective channels of trade, the Opponent's registrations have no such limitation as to channels of trade. Thus, the goods of the parties' could ultimately travel through the same channels of trade.

[46] Accordingly, these factors also favour the Opponent.

Section 6(5)(e) – the degree of resemblance

[47] The Opponent submits that the parties' marks are highly similar in that the first five letters of the respective trademarks are identical. The Opponent relies on *Pernod Ricard v Molson Canada 2005*, CPR (4th) 338, for the proposition that the first portion of a trademark is the most relevant for purposes of distinction; and that where the first portion of the mark is identical or very similar, and it is distinctive, a greater likelihood of confusion exists [citing *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4th Edition, § 8:27].

[48] In *Masterpiece, supra*, the Supreme Court of Canada clearly indicated that the most important factor amongst those listed under section 6(5) of the Act is often the degree of resemblance between the parties' trademarks [*Beverley Bedding & Upholstery Co v Regal Bedding & Upholstering Ltd* (1980), 47 CPR (2d) 145 (FC), at

149, affirmed (1982), 60 CPR (2d) 70 (FCA)]. The Supreme Court also observed that even though the first word of a trademark may be the most important, for the purpose of distinctiveness [*Conde Nast Publications Inc v Union des éditions modernes* (1979), 46 CPR (2d) 183 (FCTD)], the preferable approach when comparing marks is to begin by determining whether there is an aspect of the trademark that is particularly striking or unique.

[49] Additionally, in assessing the “degree of resemblance” factor, the test must be taken from the point of view of a person who has only a general and not a precise recollection of the earlier mark. Furthermore, the issue of similarity must be determined on the effect of the marks when taken as a whole or in totality. Marks should not be laid side by side for the purpose of analysis as to similarities and differences [*Oshawa Group Ltd v Creative Resources Co* (1982), 61 CPR (2d) 29 at 35 (FCA)].

[50] Although the parties’ trademarks share the first five letters, that is where the resemblance ends. What is most striking in my view, is the impression left on the consumer with regards to the overall connotations of the respective marks. That is, the idea suggested behind the Applicant’s Mark, is that the Applicant’s goods contain or are made from cannabis. Indeed, as previously stated, this notion is amplified by the inclusion of the cannabis/hemp leaf design in the Mark. On the contrary, the idea suggested by the Opponent’s ANNABELLE Mark is unclear with respect to the Opponent’s goods, but it is likely that the consumer would think that ANNABELLE is a female first name. Therefore, the ideas suggested by the parties’ marks are so highly divergent, such that the overall impression left by the parties’ marks is that they have little to no resemblance apart from the letters they share [for a similar finding see *Fuchs Petrolub AG v Castrol Limited*, 2015 TMOB 211 and *Euromed Restaurant Limited v Trilogy Properties Corporation*, 2012 TMOB 19].

[51] Accordingly, I find this factor strongly favours the Applicant.

Additional Surrounding Circumstances – Family of Trademarks

[52] The Opponent submits that it owns a family of trademarks that incorporate the word “ANNABELLE” in Canada, and that the existence of a family of trademarks gives

its owner a wider ambit of protection than would otherwise be the case if the determination were exclusively made on the basis of etymological characterization of the competing trademarks [citing *Mission Pharmacal Co v Ciba-Geigy Canada Ltd* (1990) 30 CPR (3d) 101 (FCTD)].

[53] Where there is a family of trademarks, there may be a greater likelihood that the public would consider a trademark that is similar to be another trademark in the family and consequently, assume that the product or service that is associated with that trademark is manufactured or performed by the same person. There is, however, no presumption of the existence of a family of marks in opposition proceedings. A party seeking to establish a family of marks must show that it is using more than one or two trademarks within the alleged family [*Techniquip Ltd v Canadian Olympic Assn* (1998), 145 FTR 59, (Fed TD, aff'd (1999), 250 NR 302, 250 NR 302, (Fed CA)].

[54] In the present case, I am satisfied that the Opponent has established a family of “ANNABELLE” marks, considering the evidence of considerable use of its four relied upon trademarks. However, I am not persuaded that this has much impact, if any, on the final determination in this case. The family relied upon is for “ANNABELLE”, and not “ANNA”-formative marks for example. My conclusion might have been different if the family incorporated numerous ANNA-formative marks, such that consumers would then associate various derivatives of trademarks incorporating ANNA as the first portion of the mark as being associated with the Opponent.

Conclusion

[55] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection.

[56] In the present case, although factors 6(5)(a) through (d) favour the Opponent, the most important factor in this analysis is the degree of resemblance [*Masterpiece, supra*]. In this case, I find that the parties' trademarks are substantially different overall, notwithstanding that they share common letters, having regard to the highly disparate ideas suggested between them, such that confusion is unlikely. Furthermore, given that

there is such a difference between the parties' trademarks, I do not find that the Opponent's family of "ANNABELLE" trademarks is a relevant consideration.

[57] Therefore, the ground of opposition based on section 12(1)(d) of the Act is dismissed.

Section 16(1)(a) Ground of Opposition

[58] The Opponent alleges that the Applicant is not the person entitled to registration of the Mark, since at the deemed filing date, namely, February 26, 2018, and at all relevant times, the Mark was confusing with the Opponent's registered trademarks (per Schedule A to this decision) which had been previously used in Canada in association with cosmetics.

[59] The Opponent has an initial burden of establishing that one or more of its trademarks alleged in support of this ground of opposition was/were used or made known prior to the earlier of the deemed date of filing of the Application, namely, February 26, 2018, or the date of first use of the Mark in Canada, and was not abandoned at the date of advertisement of the Application for the Mark (in this case, January 13, 2021) [section 16(3) of the Act] [see for example *Earthrise Farms v Saretzky* (1997), 85 CPR (3d) 368 (TM Opp Bd) at paras 17-18 regarding the priority filing date being the deemed filing date]. As the Applicant has not filed any evidence, the material date for the Opponent under this ground is the deemed date of filing of the Application.

[60] I accept, as per my analysis under sections 6(5)(a) and (b) of the Act with respect to the section 12(1)(d) ground of opposition, that the Opponent has so used its relied upon trademarks in Canada prior to the material date.

[61] However, in the present case, despite the difference in material date under this ground of opposition, my conclusions regarding confusion under section 12(1)(d) of the Act are equally applicable here.

[62] Accordingly, the ground of opposition based on section 16(1)(a) is also dismissed.

Section 2 Ground of Opposition

[63] The Opponent alleges that the Mark is not distinctive, having regard to the provisions of sections 38(2)(d) and 2 of the Act, because it does not distinguish nor is it adapted so as to distinguish the goods of the Applicant from the Opponent's Goods in association with which the Opponent has used the Opponent's trademarks.

[64] There is an initial evidentiary burden on the Opponent to establish the facts relied upon in support of its non-distinctiveness ground. Once the burden has been met, there is a legal onus on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes its goods and services from those of others [see *Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) 216 (FCTD) at 298; *Muffin Houses Incorporated v The Muffin House Bakery Ltd*, (1985) 4 CPR (3d) 272 (TMOB); *Imperial Tobacco Canada Limited v Philip Morris Products SA*, 2013 TMOB 175 at para 24, aff'd 2014 FC 1237 at paras 15-16 and 68; and *JTI-Macdonald TM Corp v Imperial Tobacco Products Limited*, 2013 FC 608 at para 55].

[65] This means that in order to meet its initial burden under this ground, the Opponent must establish that as of the filing date of the statement of opposition, namely, March 15, 2021, one or more of the Opponent's relied upon trademarks had become known sufficiently to negate the distinctiveness of the Mark, and that the reputation of its trademark in Canada was substantial, significant or sufficient [see *Bojangles' International LLC v Bojangles Café Ltd*, 48 CPR (4th) 427; *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, (2004), 34 CPR (4th) 317 (FC); and *Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 at 58 (FCTD)].

[66] I am satisfied that the Opponent has met its evidentiary burden under this ground of opposition. I accept that the Opponent's ANNABELLE Trademarks have been well-known in Canada in association with the ANNABELLE Products, given the substantial sales to numerous major retailers and significant advertising expenditures demonstrated in the Zakaib affidavit.

[67] However, despite the difference in material date under this ground of opposition, my conclusions regarding confusion under section 12(1)(d) of the Act are equally applicable here. Consequently, as I have held that the Mark is not confusing with any of the Opponent's ANNABELLE Marks, I find that the ground of opposition based on non-distinctiveness must fail.

[68] Accordingly, the ground of opposition based on section 2 of the Act is dismissed.

Section 38(2)(e) Ground of Opposition

[69] The Opponent alleges that at the time of filing the Application, and at all relevant times, the Applicant was not using, and did not propose to use the Mark in Canada in association with the goods set out in the Application, since the ANNABIS brand name has not been approved under the *Natural Health Products Regulations*, SOR/2003-196 (the "NHP Regulations").

[70] The principles set out in cases relating to the former section 30(e) ground of opposition, based upon whether an applicant had a *bona fide* intention to use the trademark in Canada, are instructive in regards to this new ground. As with the former section 30(e) ground, since the relevant facts are more readily available to and particularly within the knowledge of the applicant under a section 38(2)(e) ground of opposition, the evidential burden on an opponent in respect of this ground is light and the amount of evidence needed to discharge it may be very slight [*Allergan Inc c Lancôme Parfums & Beauté & Cie, société en nom collectif* (2007), 64 CPR (4th) 147 (TMOB); *Canadian National Railway v Schwauss* (1991), 35 CPR (3d) 90 (TMOB); *Green Spot Co v John M Boese Ltd* (1986), 12 CPR (3d) 206 at 210-11 (TMOB)].

[71] The Opponent submits that in Canada, all Natural Health Products are subject to the NHP Regulations, and that such products include, among other things, vitamins and minerals, herbal remedies, homeopathic medicines, homeopathic medicines, traditional medicines like traditional Chinese and Ayurvedic (East Indian) medicines, probiotics, amino acids and essential fatty acids. The product licensing requirements of the NHP Regulations apply to any person or company that manufactures, packages, labels and/or imports Natural Health Products for commercial sale in Canada.

[72] The Opponent submits that the Ashton Affidavit shows that the Applicant had not applied for, or secured, a product license for the ANNABIS products as required by the NHP Regulations. Therefore, the Opponent submits, it has met its initial burden; thus, the onus now shifts to the Applicant to show compliance with section 38(2)(e) of the Act.

[73] The Opponent submits that as the Applicant did not file any evidence in these proceedings, the Applicant did not demonstrate that, at the time of filing the application, it was using, or that it proposed to use, the Mark in Canada in association with the Proposed Goods.

[74] However, in the present case, that the Applicant may not have yet applied for such a license, if required, is not sufficient in my view, to cast doubt on the Applicant's intention to use the Mark in the future. There is no evidence to suggest that the Applicant will not apply for and obtain such a license in the future, if required. Indeed, the application process does not appear to be lengthy, as set out in section 6 of the NHP Regulations, such that it is not unreasonable that the Applicant would not have yet applied for a product license, if required.

[75] Therefore, I do not find that the Opponent has met its burden under this ground of opposition, and the ground of opposition based on section 38(2)(e) of the Act is dismissed accordingly.

Section 38(2)(f) Ground of Opposition

[76] The Opponent alleges that at the time of filing the Application, and at all relevant times, the Applicant was not entitled to use the Mark in Canada in association with the Applicant's Goods, because the sale of these goods in Canada contravenes:

- i. The NHP Regulations, the *Food and Drugs Act*, R.S.C., c. F-27, and the *Food and Drugs Regulations*, C.R.C., c. 870 in that the ANNABIS brand name has not been approved in Canada.
- ii. The *Cosmetics Regulations* C.R.C., c. 869, and the *Food and Drugs Act*, R.S.C., 1985, because Cannabis, as defined in subsection 2(1) of the

Cannabis Act is contained on the *List of ingredients that are Prohibited for Use in Cosmetic Products*.

- iii. The *Cannabis Act* S.C. 2018, c. 16, the *Cannabis Regulations* SOR/2018-144 and *Industrial Hemp Regulations* SOR/2018/145 because the Applicant's products do not meet the exemption requirements for importation, exportation and wholesale of cannabis/hemp based products in Canada.

[77] As section 38(2)(f) of the Act focusses on whether an applicant can lawfully use the applied-for trademark in Canada, I find that the jurisprudence pertaining to section 30(i) of the Old Act may inform the interpretation of section 38(2)(f) of the Act.

[78] Non-compliance with section 30(i) has been found where a *prima facie* case of non-compliance with a federal statute is established [see for example *Interprovincial Lottery Corp v Monetary Capital Corp* (2006), 51 CPR (4th) 447 (TMOB) and *Canadian Bankers' Assn v Richmond Savings Credit Union* (2000), 8 CPR (4th) 267 (TMOB)]. In order to succeed under this ground of opposition, the Opponent must establish a *prima facie* case of contravention of the *Food and Drugs Act* (in that the Applicant will not obtain a product license if required under the NHP Regulations), and/or a *prima facie* case of contravention of the *Cannabis Act* (in that the Applicant does not meet the exemption requirements concerning cannabis as an ingredient in the Proposed Goods).

[79] I have already dealt with submissions concerning the *NHP Regulations* under the section 38(2)(e) ground of opposition. I reiterate under this ground however, that the fact that the Applicant has not yet applied for a product license is not determinative. Indeed, there is no evidence in this case to support that such a license, if required, would not be granted to the Applicant.

[80] With respect to the remaining prongs of the section 38(2)(f) ground, the Opponent submits that the Application contravenes the *Cosmetic Regulations* and the *Food and Drugs Act*, as the Proposed Goods include a statement that "all aforesaid products contain/are made of cannabis".

[81] Further, the Opponent submits that at the time of filing the Application, the Applicant was not entitled to use the Opposed Mark in Canada in association with the Proposed Goods because the Applicant's products did not meet the exemption requirements for importation, exportation and wholesale sale of cannabis and hemp-based products in Canada.

[82] More specifically, the Opponent submits that in accordance with section 2(1) of the *Industrial Hemp Regulations*, a derivative, or a product made from that derivative, that is being imported, exported or sold at wholesale is exempt from the application of the *Cannabis Act* if the THC concentration of a representative sample of each lot or batch of the derivative or product is 10 µg/g THC or less when tested at a competent laboratory using a validated test method and ... (b) in the case of the wholesale sale, the outer container, other than the shipping container, or outer covering of the derivative or product is labelled, "Contains 10 µg/g THC or less — Contient au plus 10 µg/g de THC".

[83] The Opponent submits that the Application clearly states that the Applicant's products are hemp cosmetics and that the Applicant's products contain/are made of cannabis. The Opponent further submits that there is no indication in the Application that the THC concentration contained in the Applicant's products is 10 µg/g or less, and the Applicant has not provided any evidence to show that its products meet the exemption requirements. Therefore, according to the Opponent, the Opposition Board must conclude that the Applicant's products do not meet the exemption requirements.

[84] In the present case, however, there is no evidence to support that the THC concentration that would be contained in the Applicant's Proposed Goods would exceed 10 µg/g "when tested at a competent laboratory using a validated test method" nor is there any evidence to suggest that the Applicant would not label its products accordingly, as required to be exempt from the application of the *Cannabis Act*. Furthermore, the list of ingredients that are prohibited for use in cosmetic products (Ashton affidavit, Exhibit E), clearly states that such prohibition is subject to exemptions under the *Cannabis Act*. Thus, the Opponent has failed to make a *prima facie* case of contravention with the *Cannabis Act*. Indeed, in the absence of evidence to the contrary,

it is reasonable to assume that the Applicant will comply with all relevant legislation [see *Imperial Tobacco Canada Limited v Dickson*, 2016 TMOB 89, at paras 79-80].

[85] Having regard to the aforementioned, the ground of opposition based on section 38(2)(f) is dismissed.

DISPOSITION

[86] Accordingly, having regard to the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(12) of the Act.

Kathryn Barnett
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

SCHEDULE A

The Opponent's Registered Trademarks

| Trademark | Registration No. | Goods/Services |
|------------------------------------|-------------------------|--|
| ANNABELLE | TMA331,978 | (1) False eye lashes, false finger nails, face powders, cosmetic brushes of all kinds, eyebrow and eye-liner pencils, lip liner pencils, face powders and make-up, eye-liners and eye shadows, lipsticks, nail polishes, nail hardeners, manicure sets, eyebrow guides, lip guides, eye lash curlers, hair rollers and curlers, combs, bobbi pins, hair nets, false hair wigs, hair pieces, face creams, all body creams, ladies perfumes, colognes and hair dyes. |
| ANNABELLE | TMA618,718 | (1) Cosmetics, namely lipsticks, powders, blushes, concealers, eyeliners, eye shadows, mascaras, lip liners, nail polishes, lip stain, foundation, eye makeup remover, lipstick sealer, lip gloss, lip lacquer, nail care, namely nail base coat, nail dry care enamel and top care nail protectors; eyebrow pencils. (2) Emery boards. (3) Cosmetic pencil sharpeners. (4) Cosmetic brushes, sponges, puffs and applicators for cosmetics. |
| ANNABELLE EXPANDABLE MASCARA | TMA856,602 | (1) Cosmetics; mascara |
| ANNABELLE STAY SHARP | TMA920,280 | (1) Cosmetics, makeup, eyeliner, eyebrow cosmetics and eyebrow pencils, mascara, eye shadow, lipliner, lipstick, lip gloss, foundation, powder, bronzer, blush, concealer. |

Appearances and Agents of Record

HEARING DATE: No hearing held

AGENTS OF RECORD

For the Opponent: Norton Rose Fulbright Canada LLP/S.E.N.C.R.L., S.R.L.

For the Applicant: Gowling WLG (Canada) LLP