

Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 038

Date of Decision: 2023-02-28

IN THE MATTER OF OPPOSITIONS

Opponent: Sunterra Food Corporation

Applicant: Sunterra Horticulture (Canada) Inc.

Applications: 1,802,477 for SUNTERRA HORTICULTURE, and
1,802,483 for SUNTERRA HORTICULTURE & Design

INTRODUCTION

[1] Sunterra Food Corporation (the Opponent) opposes the registration of the trademarks SUNTERRA HORTICULTURE (app. No. 1,802,477) and SUNTERRA HORTICULTURE & Design, shown below (app. No. 1,802,483) (collectively, the Marks), that were filed by Sunterra Horticulture (Canada) Inc. (the Applicant).



[2] Both applications (the Applications) were filed on September 28, 2016, in association with the statement of goods and services as reproduced below:

Goods

(1) Sphagnum peat moss.

Services

(1) Harvest, production and sale of sphagnum peat moss.

[3] Application no. 1,802,477 was filed based on use in Canada since at least as early as August 31, 2001, while application no. 1,802,483 was filed based on use in Canada since at least as early as July 10, 2015.

[4] The Applications were advertised in the *Trademarks Journal* of June 27, 2018. On August 21, 2018, the Opponent filed statement of oppositions against the Applications 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 (the New Act). The date for identifying which version of the Act that applies to opposition proceedings is the date on which the application being opposed was advertised. As the Applications were advertised prior to June 17, 2019, pursuant to section 70 of the Act, the grounds of opposition will be assessed based on the Act as it read on June 16, 2019.

[5] With respect to both Applications, the Opponent raises grounds of opposition based on non-compliance with section 30(i), non-registrability under section 12(1)(d), non-entitlement under sections 16(1)(a), (b), and (c), and non-distinctiveness under section 2. The non-registrability, non-entitlement, and non-distinctiveness grounds all revolve around an allegation of confusion between the Marks and the Opponent's SUNTERRA trademarks (the SUNTERRA Marks) and the Opponent's trade name Sunterra. Particulars of the Opponent's SUNTERRA Marks are attached as Schedule A to this decision.

[6] For the reasons that follow, I refuse the Applications.

THE RECORD

[7] As previously indicated, the Opponent filed its statements of opposition with respect to both Applications on August 21, 2018.

[8] The Applicant filed and served its counter statements on September 28, 2018, denying the grounds of opposition.

[9] In support of its oppositions, the Opponent filed the affidavits: of Ray Price, sworn on February 27, 2019, together with Exhibits 1 to 9; Jane Buckingham, sworn on February 22, 2019, together with Exhibit A; and, Trevor Mazutinec, sworn on February 25, 2019. The same affidavits were filed in support of both Applications. None of the Opponent's affiants were cross examined on their affidavits.

[10] In support of the Applications, the Applicant filed the same affidavit of Sterling Dorish, sworn on October 23, 2019, together with Exhibits A through H. Mr. Dorish was cross examined on his affidavit, and the transcripts and responses to undertakings form part of the record.

[11] Both parties filed written representations and attended an oral hearing.

EVIDENCE SUMMARY

Opponent's Evidence

The Price affidavit

[12] Mr. Price is the President of Sunterra Group (Sunterra), which he states includes Sunterra Farms Ltd., Sunterra Meats Ltd., Sunterra Quality Food Markets Inc., Sunterra Enterprises Inc. and the Opponent, Sunterra Food Corporation. He states that by virtue of the nature of his position, and having reviewed relevant business records of Sunterra, he has personal knowledge of the matters set out in his affidavit except where stated to be on information and belief.

[13] Mr. Price attests that the Opponent is the owner of the SUNTERRA Marks (per Schedule A to this decision), copies of which are attached as Exhibit 1 to his affidavit, and which include registrations for SUNTERRA FARMS and SUNTERRA FARMS & Design (the SUNTERRA FARMS Marks).

[14] Mr. Price states that the Opponent has used the trademark SUNTERRA since at least as early as 1990. He further states that the Opponent has used the trademark

SUNTERRA FARMS since at least as early as 1998, under license, in association with: *“live cattle and pigs for slaughter; live cattle and pigs for breeding; silage; grain; hay; oil seeds; agricultural consulting services; agriculture consulting services, namely, feeding cattle for others, selling live cattle for slaughter for others.”* He states that the SUNTERRA Marks are used under license.

[15] Mr. Price provides more detail with respect to the goods and services associated with the SUNTERRA FARMS Marks as follows:

- Sunterra operations produce over 300,000 pigs annually and operate two meat processing facilities;
- Sunterra’s farmland includes over 3,000 acres and produces approximately 120,000 bushels of wheat and 80,000 bushels of canola, all in association with the SUNTERRA FARMS Marks; and
- Sunterra has also produced barley for silage production, grain, hay and oil seeds in association with the SUNTERRA FARMS Marks.

[16] Mr. Price states that Sunterra’s revenues between 2014 and 2018 were in excess of \$750,000,000, with \$115,000,000 of this revenue being in association with the SUNTERRA FARMS Marks. During this same period, he states that Sunterra incurred nearly \$3,000,000 in promotion and advertising expenses.

[17] Lastly, Mr. Price states that the SUNTERRA FARMS Marks are prominently featured in commerce, and provides what he describes are:

- sample photographs which show such use (Exhibit 2) as well as feature the SUNTERRA FARMS word mark and trade name in association with speaking engagements and sponsorship events (Exhibit 3). The SUNTERRA FARMS Marks appear in the photographs on signage in the context of agriculture, including in front of grain silos (identified as SUNTERRA FARMS & Design Research Nursery) as well as displayed on promotional literature describing a partnered greenhouse project in central Alberta (which includes pictures of the inside of the greenhouse wherein the SUNTERRA FARMS & Design trademark appears on greenhouse equipment with what appears to be different varieties of strawberries). The SUNTERRA FARMS word mark and trade name also appear

on promotional materials for seminars and conferences, including two pork conferences in Banff, Alberta, in the years 2018 and 2019, with an employee of Sunterra Farms identified as a guest speaker (2018), and Sunterra Farms identified as an event sponsor (2019);

- a sample of news coverage featuring Sunterra (Exhibit 4). The exhibit includes an article in the publication *GrainsWest, The Food Issue*, dated 2015, titled “A True Success Story for an Alberta Farm Family”. The article profiles Sunterra and the evolution of its grocery markets, “a commodity-based family farm launching a consumer-direct retail operation [...] in the late ‘90s”, and indicates that the farming operations of Sunterra farmland annually produce “up to 120,000 bushels of wheat and up to 80,000 bushels of canola, predominantly for the commodity market, as well as a small amount of barley for silage production”;
- copies of pages from the *sunterrafarms.ca* website which Mr. Price states Sunterra has operated since approximately 2001 (Exhibit 5). The SUNTERRA FARMS Marks are clearly displayed throughout these pages, as well as the Opponent’s SUNTERRA Design trademark and a SUNTERRA MEATS trademark, which provide a general overview of the Opponent’s business. The Opponent’s farming business appears to be predominantly in the area of livestock; however, the website also appears to refer to farming more generally with statements such as: “For the past three generations, the Price Family, owners and managers of Sunterra, have built their business around growing and marketing food products of unmatched quality”;
- copies of promotional and advertising materials, including those used in association with Sunterra Meats and Sunterra Market (Exhibit 6). The SUNTERRA FARMS Marks and a variety of other SUNTERRA Marks, including: SUNTERRA Design, SUNTERRA MARKET, SUNTERRA MARKET & Design are clearly displayed throughout these materials, which depict and describe the Opponent’s array of businesses. The materials are comprised of articles, photographs of products (including a variety of Sunterra Farms beef and pork products) and grocery markets (including inside and outside signage), recipes (including those featuring Sunterra beef and pork products), Sunterra events calendars, advertisements for supermarket specials, coupons, a Sunterra Meats cutting guide (including information on meat products specifically produced by Sunterra Farms and/or cooked/prepared in-house at Sunterra Markets), catering and product menus (featuring Sunterra Meats products and Sunterra Markets prepared foods), advertisements for sponsored events and special events, and gift cards. The materials appear to date between 2012 and 2019, and once again, materials referring to Sunterra Farms focus on livestock production;
- printouts from the Opponent’s websites *sunterramarket.com* and *sunterrameats.ca* (Exhibits 7 and 8, respectively); printouts from Exhibit 7

indicate a date of February 2019. A variety of the Opponent's SUNTERRA Marks appear throughout the websites which include information about the Opponent and its related businesses (Sunterra Meats and Sunterra Markets), online shopping with depictions of products and listings of available products (Sunterra prepared foods), catering menus, information on services such as cooking classes, rewards/points programs, charitable activities/programs and sponsorships, recipes, and newsletters; and

- printouts from Sunterra's Twitter, Facebook, Instagram, and YouTube accounts (Exhibit 9) dated February 2019. As of this date, SUNTERRA Market had 2,018 followers on Twitter (and 3,254 tweets), 3,894 followers on Instagram (and 1,507 posts), and 31 subscribers to its YouTube channel.

The Buckingham Affidavit

[18] Ms. Buckingham is a trademark searcher with the agent for the Opponent.

[19] Ms. Buckingham states that on February 22, 2019, she conducted a search of the Canadian Trademarks Register to identify all active pending applications and registrations that are comprised of, or contain, SUNTERRA in Nice Classes 31, 35, 40 and 44. She states that the search results obtained covers all applications and registrations in Canada available to the public up to February 18, 2019.

[20] Ms. Buckingham provides a copy of her search results as Exhibit A to her affidavit. The results include particulars for 24 trademarks, 22 of which are owned by the Opponent (21 of which are registered, and one indicated to be formalized (pending)), and 2 owned by the Applicant (the current files subject to opposition proceedings). The report includes 20 of the 23 trademarks listed by Mr. Price in his affidavit, as well as one that was not included on his list.

The Mazutinec Affidavit

[21] Mr. Mazutinec is the Greenhouse Manager for Sunterra Farms Ltd.

[22] Mr. Mazutinec states that he emailed Dr. Mike Evans, a professor of horticulture at the University of Arkansas, a question about the online Greenhouse Management Course that he was taking through his university. He states that in response, he confused Sunterra Horticulture with Sunterra Farms, asking him if he worked for

Sunterra Horticulture. He does not provide a date on which the email exchange occurred.

Applicant's Evidence

The Dorish Affidavit

[23] Mr. Dorish is the Director of the Applicant, and is also the President of Sunterra Horticulture (US) Inc., a wholly owned subsidiary of the Applicant.

[24] Mr. Dorish states that the Applicant is a federal corporation under the laws of Canada since 2001. He describes the Applicant 's business as that of harvesting and processing sphagnum peat moss based growing media, a natural, organic soil conditioner that regulates moisture and air around plant roots in order to establish ideal growing conditions. He attaches as Exhibit A, a document that explains what peat moss is, how it is used, what it is used for, and how it is harvested, processed, and distributed. The SUNTERRA HORTICULTURE Design mark appears on each page of the attached document. He states that sphagnum peat moss it is used by large-scale commercial greenhouse growers, mushroom and vegetable growers, golf course developers, vineyards and others in the business of growing a horticultural product. He further states that since at least as early as August 2001, the Applicant has developed a reputation in Canada in connection with the trademark SUNTERRA HORTICULTURE in association with sphagnum peat moss and harvest, the production and sale of sphagnum peat moss.

[25] Mr. Dorish explains that the Applicant operates seasonally from April to November each year. He attests that the Applicant only sells product and services to other businesses, not retail customers like grocery store customers or individual consumers. He explains that when selling their products to businesses, that they only sell by the 53' semi-truck load, which typically contains 24 pallets of approximately 1,800-2,000 pound bales of peat moss, sample pictures of which he attaches as Exhibit B to his affidavit. Mr. Dorish states that these pallets of peat moss are sold in large, commercial, compressed bags with the trademark prominently displayed, as shown in Exhibit E. The design mark clearly appears on the bags of peat moss.

[26] With respect to sales, Mr. Dorish states that the Applicant sells in Canada and ships from Canada to the United States. In support, he attests that total sales have steadily increased from approximately \$5.3 million in 2007 to approximately \$23 million in 2018, with approximately \$2.9 million in sales directly to Canadian customers. He provides a chart with approximate annual sales figures for each year since 2007, with respect to both total sales and Canadian sales (para 8).

[27] As further support of sales, Mr. Dorish attaches as Exhibit D, samples of invoices dated between 2010 and 2019. He states that these invoices were provided to customers at the time the goods were transferred or the services were performed, and that the SUNTERRA HORTICULTURE trademark is prominently displayed on the goods when delivered to the customers. The design mark appears at the top of several of the invoices.

[28] Mr. Dorish states that the Applicant advertises on its website which it has operated since August 1, 2009 (printouts of pages from the website as well as of the domain name registration attached under Exhibit G and H respectively), as well as conducts marketing and sales through face-to-face, in-person meetings with growers and soil blenders. The Applicant's SUNTERRA HORTICULTURE trademark appears on the website, printouts which are dated September 23, 2019. On the "About Sunterra" page, it states "As one of the newest Canadian peat moss producers supplying the North American market from coast to coast, one of our key competitive advantages is that our peat reserves are some of the youngest in the industry."

[29] Lastly, Mr. Dorish states that the Applicant annually attends industry trade shows, including the Farwest Show and Cultivate, the latter of which the Applicant is a regular exhibitor. He attaches as Exhibit F to her affidavit, printouts of the list of exhibitors from Cultivate 2019, a show which he attests is attended by industry people and companies from around the world including many Canadians and Canadian companies. He states that he is unaware of any instance in which any customer or prospective customer asked any of the Applicant's sales representatives about Sunterra Foods or whether they were in any way related to the grocery store.

Summary of Cross-examination of Mr. Dorish

[30] Mr. Dorish was asked a variety of questions concerning what the Opponent's product is, its qualities, and for what and how it is used. Mr. Dorish responds that sphagnum peat moss is a particular type of peat moss that grows naturally in certain regions of Canada. He further explains that it is fibrous, so that it provides porosity, which is the primary reason why it is used to grow plants, vegetables, and other such types of products. Mr. Dorish agrees with the Applicant's agent that:

sphagnum peat moss can be characterized as a soil conditioner that provides that enriches all types of soils and improves aeration and texture and has high water-holding capacity, and therefore reduces the need for frequent watering – and – helps water and air exchange, helps root growth and nutrient exchange, provides buffering for the soil, retains moisture in dry or sandy soils, reduces fertilizer leaching, keeps soil from hardening and crusting, aerates heavy soils and binds dry soils [...].

[31] Mr. Dorish, however, does not agree with the Applicant's agent's characterization of the Opponent's peat moss as a form of nutrient. In this regard, he states that "it does not have any nutrients in it – you have to add nutrients to it, which is why growers like it. It's a base that has nothing." (p. 13, lines 2-4)

[32] Mr. Dorish is asked if seeds would tend to germinate quickly in peat moss or quicker, and if growers use peat moss for its seed germination qualities? He responds that he cannot say, as he is not in the seed germination business.

[33] Mr. Dorish is asked further questions regarding peat moss as follows, together with responses to undertakings:

- Is peat moss recommended or useful for growing sunflowers, soybeans, corn, canola, cotton seed, safflower, grape seed, or oats? In response to undertakings, it is indicated that he does not know but has made inquiries with individuals within his company and the answer is not within the knowledge of the company.
- Is peat moss more or less effective than hay when it comes to seed germination? In response to the undertakings, he states that he does not know. Once again,

he states that he has made inquiries with individuals within his company in this regard, and that the answer is not within the knowledge of the company.

[34] In addition to the aforementioned, Mr. Dorish was asked questions concerning the evidence of sales of the Opponent's goods and use of the Opponent's trademarks. In particular, Mr. Dorish was asked about a gap in the Opponent's revenue figures from 2001 to 2006 in his affidavit. He responds by indicating that the Opponent's records do not go back that far. Mr. Dorish was also asked questions concerning the earliest evidence of sales of goods associated with the Opponent's SUNTERRA HORTICULTURE word mark as well as composite mark. In this regard, it is noted by the Applicant's agent that while the Opponent's composite mark claims a date of first use of at least as early as July 10, 2015, there are no specific revenue figures provided as of this date, and the earliest invoice that features this trademark in evidence is dated June 22, 2018. When Mr. Dorish was asked if the Opponent was using the composite mark on invoices before this date, he responded that he did not recall. He did, however, provide an undertaking to produce earlier invoices, attaching two examples of invoices from 2015 corresponding to sales of product in association with the SUNTERRA HORTICULTURE & Design trademark. He states that the company accounting software in use at the time did not allow a logo to be put on the invoices, so the only thing on the invoices is the name Sunterra Horticulture.

[35] With respect to the Opponent's word mark, the Applicant's agent noted that the earliest invoice in evidence that features Sunterra Horticulture, is as a trade name, and is dated November 18, 2010. When Mr. Dorish was asked if the Opponent has invoices that pre-date 2010 and specifically invoices that were issued in 2001, Mr. Dorish responded that the Opponent does not have invoices from 2001, and to his knowledge he provided the earliest invoice available.

ANALYSIS

Section 30(i) Ground of Opposition

[36] The Opponent pleads that the Applicant could not state that it was entitled to use the Marks in Canada in association with the goods and services described in the

Applications in view of the prior application, registration and use in Canada of the SUNTERRA Marks by the Opponent as well as the prior use of the Sunterra trade name.

[37] However, where an applicant has provided the statement required by section 30(i) of the Act, a section 30(i) ground should only succeed in exceptional cases, such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155; and *Cerverceria Modelo, SA de CV v Marcon* (2008), 70 CPR (4th) 355 (TMOB) at 369]. In the present case, as the Applicant submits, it has provided the statement required by section 30(i) of the Act. Furthermore, there is no evidence of bad faith or exceptional circumstances.

[38] Accordingly, as the Opponent has failed to meet its initial evidential burden, this ground of opposition is rejected with respect to both of the Applicant's Applications.

Section 12(1)(d) Ground of Opposition

[39] The material date for the section 12(1)(d) ground of opposition is the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)].

[40] The Opponent pleads that the applied-for trademarks are not registrable within the meaning of section 12(1)(d) of the Act, in that they are, and at all material times have been confusing with the SUNTERRA Marks, which have not been abandoned.

[41] 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 are in good standing. Furthermore, 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 the Opponent's registrations relied upon under this ground are in good standing as of the date of this decision.

[42] 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 Marks and any of the Opponent's relied upon trademarks.

[43] Furthermore, in considering the issue of confusion, I will primarily focus on the Opponent's SUNTERRA FARMS Marks, as I consider these trademarks to represent the Opponent's best chance, given that they have the closest relationship to the Applicant's Marks in terms of the nature of the goods and services and in the degree of resemblance.

When Are Trademarks Confusing?

[44] Trademarks are confusing when there is a reasonable likelihood of confusion within the meaning of section 6(2) of the Act:

The use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would be likely to lead to the inference that the goods or services . . . associated with those trademarks are manufactured . . . or performed by the same person...

[45] Section 6(2) does not concern the confusion of the marks themselves, but confusion of goods or services from one source as being from another source. In the instant case, the question posed by section 6(2) is whether purchasers of the Applicant's goods and services would believe that those goods and services were sold, performed, authorized or licensed by the Opponent who sells its agricultural goods and services under the SUNTERRA FARMS Marks. The legal onus is on the Applicant to show, on a balance of probabilities, that there would be no reasonable likelihood of confusion.

The test for confusion

[46] 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 another parties' 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].

[47] 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

[48] The Marks and the Opponent's SUNTERRA FARMS Marks share a similar degree of inherent distinctiveness. In this regard, all trademarks are comprised in part of the coined word SUNTERRA coupled with a descriptive word that relates to the respective parties' areas of business and trade. The design elements in each of the parties' design marks do not add much to the overall distinctiveness of their marks; the design elements are not dominant and echo either an element or idea of the marks (*i.e.* - as in fields depicted in the Applicant's design mark, or the sun depicted in the Opponent's design mark).

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

[50] The Opponent submits that its trademarks have become well-known through longstanding use and promotion, as evidenced through the Price affidavit. In this regard, the Opponent submits that it has used the trademark SUNTERRA since at least as early as 1990, and the SUNTERRA FARMS word mark, in association with its registered

goods and services, since at least 1998. The Opponent further notes the following from the Price affidavit:

- that its Sunterra Farms operation produces over 300,000 pigs annually and operates two meat processing facilities;
- the Opponent's farmland has grown to include over 3,000 acres and annually produces approximately 120,000 bushels of wheat and 80,000 bushels of canola, all in association with the SUNTERRA FARMS Marks (Price affidavit para 7 and see also, for example, Exhibit 2, photographs of grain silos with signage);
- between 2014 and 2018, the Opponent generated in excess of \$750 million in revenue, with over \$115 million in revenue generated in association with the SUNTERRA FARMS Marks. Over that same time period, the Opponent incurred nearly \$3 million in promotion and advertising expenses (Price affidavit, para 8);
- the SUNTERRA FARMS Marks are prominently featured in commerce and in connection with speaking engagements, sponsorship events, and the subject of news coverage;
- the Opponent has operated the SUNTERRA FARMS website at *sunterrafarms.ca* since approximately 2001;

[51] The Applicant submits that the Price affidavit does not break down sales by specific services or goods, nor is there evidence of notice of association of the Opponent's SUNTERRA FARMS Marks (or any of the Opponent's SUNTERRA Marks) with any of the Opponent's goods.

[52] However, having regard to the evidence in the Price affidavit as a whole, I accept that the Opponent's SUNTERRA FARMS Marks have become known to a significant extent, at the very least, with respect to its farming operations concentrating on livestock, in the central Alberta area. In this regard, I agree with the Applicant's submission that the Opponent appears to be a vertically integrated company; that is, the Opponent's agricultural goods feed into its SUNTERRA food markets for "direct-to-consumer retail healthy, convenient groceries and prepared meals" (Price affidavit, Exhibit 4). Furthermore, the Price affidavit shows that the Opponent's retail grocery

markets are concentrated geographically in the Calgary and Edmonton areas, with nine such retail grocery locations featuring beef and pork products produced by the Opponent. However, Mr. Price states that the Opponent's farms also produce wheat, canola, and barley (Price affidavit, para 7, and see Exhibit 2 photographs of grain silos), and it appears that its farming reputation is, in part, entrenched in its retail grocery markets, where "Sunterra successfully and skillfully married commodity agriculture with direct-to-consumer retail in a unique and determined manner" (Price affidavit, para 3). While the evidence demonstrating use dates back to 2001 (*sunterrafarms.ca* website, para 12 and Exhibit 5, Price affidavit), evidence speaking to the reputation and the extent known of the SUNTERRA FARMS Marks and trade name through significant sales figures begins in 2014 (\$115 million, Price affidavit, para 8).

[53] The Applicant, on the other hand, submits that its evidence shows use of its SUNTERRA HORTICULTURE word mark in Canada since 2001. As support, the Applicant points to sample invoices dated 2010 to 2020, annual revenue figures dating from 2007 to 2018 (Dorish affidavit, para. 8), sample photographs of product packaging, and sample promotional activities such as exhibition participation and website excerpts. It notes that Mr. Dorish explained during cross examination that the Applicant's financial records do not go back further than 2007, and thus, sales figures from 2001 to 2007 are not available. With respect to the SUNTERRA HORTICULTURE composite design mark, the earliest invoice showing use of this mark is dated 2015; this date coincides with the date of first use claimed in the application.

[54] Without further evidence concerning use of the Applicant's SUNTERRA HORTICULTURE word mark predating 2007, it is not possible to establish the extent of any such use and making known of such mark. However, the Applicant's sales figures and invoices show that the Applicant's word mark has been used to some extent since 2007, and that its composite design mark has been so used since 2015. Thus, I accept that the Applicant's Marks have acquired some degree of distinctiveness over that time period, noting that the Applicant's sales figures during this time period in Canada amount to over \$35 million.

[55] Accordingly, due to the Opponent's earlier demonstrated use as well as much more significant sales, this factor favours the Opponent.

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

[56] As per the analysis in section 6(5)(a), the Opponent's evidence of use is supported as of some point in 2001 (Price affidavit, para 12 and Exhibit 5), while the earliest date of use supported by the Applicant's evidence is 2007 (Dorish affidavit, para 8 sales figures).

[57] Therefore, this factor favours the Opponent.

Sections 6(5)(c) and (d) – the nature of the goods and/or services and the nature of the trade

[58] The Opponent's SUNTERRA FARMS Marks are registered in association with the following goods and services:

Goods

(1) Live cattle and pigs for slaughter; live cattle and pigs for breeding; silage; grain; hay; oil seeds.

Services

(1) Agricultural consulting services; agricultural services, namely, feeding cattle for others, selling live cattle for slaughter for others.

[59] The Opponent submits that there is overlap between the Applicant's goods and a portion of the Opponent's goods, namely, "silage; grain; hay; oil seeds". In this regard, the Opponent submits that the website screenshots in Exhibit G to the Dorish affidavit describe the Applicant's peat moss as being "used by growers for the production of vegetables, bedding plants, mushrooms", as well as being "widely used as a media base for growers who mix their own soils". Further to this, the Opponent submits that the Applicant's peat moss may be used to promote the growth of the Opponent's various oil seeds.

[60] Additionally, the Opponent submits that the Applicant's goods and services can generally be described as agricultural goods and services, which fall under the same Nice classes as the Opponent's goods and services (with exception of Nice Class 40).

[61] Lastly, the Opponent submits that the Applicant's applied-for goods and services are not limited as to channels of trade, and therefore, it can be assumed that the respective channels of trade of the parties would be the same given the Opponent's goods and services are similarly not limited as to channels of trade. Thus, the Opponent submits that the goods, business and trade of the parties are highly similar.

[62] The Applicant submits that, in the present case, the most important criteria to consider are in subsections 6(5)(c) and (d). In this regard, the Applicant submits that it is in the business of harvesting and processing sphagnum peat moss, which is used by large-scale commercial greenhouse growers, mushroom and vegetable growers, golf course developers, vineyards, and others in the business of growing a horticultural product. The Applicant submits that it does not sell to retail customers, only to other businesses in orders of 24 pallets of 1800-2000 pound bales of peat moss.

[63] The Applicant submits that the parties operate in substantially different markets: business-to-business, large scale, commercial horticultural market (the Applicant) versus direct-to-consumer, retail agricultural market (the Opponent). The Applicant submits that its goods and services are used by those in the horticultural industry and are not agricultural goods.

[64] The Applicant requests the Registrar take judicial notice of the definition of "agriculture" as "farming and the methods that are used to raise and look after crops and animals". The Applicant submits that peat moss does not fall within this definition; it is not raised and is a naturally occurring resource in peat moss bogs (Dorish affidavit, Exhibit A). Thus, the Applicant submits, there is no overlap in the parties' goods, services, or channels of trade.

[65] The Applicant likens the present case to that found in *Triangle Tyre v Gestion André Touchette* (2019), 164 CPR (4th) 131 (FC), and *Alticor Inc v Nutravite*

Pharmaceuticals Inc [2004] FCJ No 268, wherein the evidence demonstrated that “the probable type of business or trade intended by the parties does not and will not overlap”. The Applicant submits that there is no evidence that the Applicant will ever sell its products through retail or that the Opponent will sell products to large companies, or that the Opponent currently sells its raw agricultural goods to consumers beyond the Opponent’s own company, such that “there is nothing more than a superficial overlap between the parties’ goods and services.”

[66] The Applicant submits that whereas the Opponent claims that the Applicant’s goods could be used to grow the Opponent’s crops, the affiant (Mr. Dorish) explicitly stated during cross examination that he has never sold sphagnum peat moss to any business using it for growing soybeans, corn, canola, cotton seed, safflower, grapeseed, or oats. In fact, Mr. Dorish has never heard of any business using the Applicant’s goods and services for growing farm crops.

[67] Lastly, the Applicant submits that just because the parties’ goods and services are in the same Nice classification, does not mean that they are the same or overlapping, as submitted by the Opponent. In this regard, the Applicant submits that even the Nice classification system makes a distinction between horticulture and agriculture within the common Nice classes shared by the parties; a distinction that is also present for other fields in the same Nice classes such as aquaculture and forestry.

[68] However, there does appear to be overlap between the parties’ goods and services insofar as both are related to growing and producing plants or crops; that is, the Opponent’s “silage; grain; hay; oil seeds”, and the Applicant’s “peat moss”.

[69] If I am to take judicial notice of the definition of the word “agriculture” as the Applicant has requested, I will similarly do so with respect to the word “horticulture”. In this regard, I note the following definitions of the words “agriculture” and “horticulture” from the *Merriam-Webster Online Dictionary*:

Agriculture: the science, art, or practice of cultivating the soil, producing crops, and raising livestock and in varying degrees the preparation and marketing of the resulting products | cleared the land to use it for *agriculture*.

Horticulture: the science and art of growing fruits, vegetables, flowers, or ornamental plants.

[70] Both above-noted definitions encompass the growing/producing of crops, which may include fruits and vegetables. Thus, while there is a distinction between the words, there is also overlap. I make this finding regardless of Nice classification and indeed, the Act contemplates confusion notwithstanding Nice classification.

[71] With respect to the cases relied upon by the Applicant, I agree that evidence of the parties' actual trades is useful in determining the probable type of business intended by each parties' statements of goods and/or services. While I have already accepted that the Opponent's evidence demonstrates that its Sunterra Farms goods (mainly, meat products) appear to predominantly feed into its SUNTERRA foods markets, there is also evidence that the Opponent's goods are commodity goods which are not sold through the Opponent's retail grocery markets (Price affidavit, Exhibit 4).

[72] Lastly, the evidence shows that the Opponent's large scale farming operations include greenhouses, a horticultural operation, and Mr. Dorish has identified greenhouse growers as consumers of the Applicant's goods (Dorish affidavit, Exhibit G). Consequently, I find the link between the Applicant's goods and services and the Opponent's goods and services more than "superficial".

[73] Accordingly, as I find there is overlap in the parties' goods and services, and businesses, this factor favours the Opponent.

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

[74] In considering the degree of resemblance, the Supreme Court of Canada in *Masterpiece, supra*, sets out that resemblance is defined as the quality of being either like or similar (para 62) and that the approach to assessing resemblance should involve a consideration of whether there is an aspect of a trademark that is particularly striking or unique (para 64).

[75] The Opponent submits that the degree of resemblance is overwhelmingly in its favour. In this regard, the Opponent submits that the shared, dominant, and distinctive portion of each parties' marks is the first element SUNTERRA.

[76] I agree that there is a significant degree of resemblance between the parties' marks as the most striking element in the marks is identical. Furthermore, the striking element is the first portion of the marks, and it is often the first portion of a trademark that is usually considered more important for assessing the likelihood of confusion [*Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD) at 188].

[77] Furthermore, contrary to the Applicant's position, I agree with the Opponent's submission that the descriptive second portions of the parties' marks, namely, the words HORTICULTURE and FARMS may even amplify the likelihood of confusion. That is, given the relationship between horticulture and agriculture, the ideas suggested by the parties' marks as a whole, in light of these descriptive words, is not far removed. Moreover, as previously indicated, I find the design elements of the parties' marks are not dominant and echo either an element or idea of the marks (*i.e.* - as in fields depicted in the Applicant's design mark, or the sun depicted in the Opponent's design mark). Consequently, I agree with the Opponent that the design elements are not sufficient to dispel confusion.

[78] Having regard to the foregoing, this factor favours the Opponent.

Surrounding Circumstances – Family of Trademarks

[79] 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 (FCTD), aff'd (1999), 3 CPR (4th) 298 (FCA); *Now Communications Inc v CHUM Ltd* (2003), 32 CPR (4th) 168 (TMOB) at para 35].

[80] In addition, a relevant consideration when a family of marks is pleaded is whether the feature common to the Opponent's marks is found in trademarks owned by others [*Techniquip, supra*]. The Opponent submits that it has led state of the register evidence through the Buckingham affidavit which demonstrates that it owns 24 trademark registrations that feature the word SUNTERRA. Further to this, the Opponent submits that the state of the register evidence shows that there are no other SUNTERRA trademark registrations owned by third parties in the Nice Classes shared by the Applicant and the Opponent.

[81] The Applicant submits that Ms. Buckingham's evidence should be given little to no weight, as Ms. Buckingham only included a narrow search for the word SUNTERRA within specific Nice classes. Further, the Applicant submits that Ms. Buckingham did not search for similar visual or audible variations of the term SUNTERRA, nor did she include classes with goods that would overlap with the Opponent's goods and services.

[82] While it is true that Ms. Buckingham's search parameters were narrow for the reasons brought forth by the Applicant, I am satisfied that the Opponent has established a family of SUNTERRA trademarks through the Price affidavit. In this regard, there is evidence of use of several SUNTERRA Marks, including, Sunterra Market and Sunterra Market & Design (Price affidavit, Exhibits 6, 7, 8, and 9), Sunterra Farms and Sunterra Farms & Design (Price affidavit, Exhibits 2, 5, and 6), Sunterra (Price affidavit, Exhibits 5 and 6), and Sunterra Catering (Price affidavit, Exhibit 6). There is also evidence of use of the trademark SUNTERRA MEATS (Price affidavit, Exhibits 5, 6, and 8). Further, it is clear from the evidence, that the Opponent's family of trademarks and business have their roots in agriculture and have become well known in this regard. Indeed, given the evidence of use of these marks, including: that the Opponent has nine Sunterra Market grocery store locations, operates two Sunterra Meats meat processing facilities as well as a large, long-established farm, and that Sunterra's revenues between 2014 and 2018 were in excess of \$750,000,000, including \$115,000,000 in revenue generated in

association with the SUNTERRA FARMS Marks (Price affidavit, para 8), I am prepared to infer that consumers would recognize the aforementioned marks as a “family” of Sunterra trademarks. I would add that the Applicant did not demonstrate that the feature common to the Opponent’s marks, namely, “Sunterra”, is found in trademarks owned by others.

[83] Consequently, I consider this a surrounding circumstance in the Opponent’s favour.

Surrounding Circumstances – Confusion in the Marketplace

[84] The Opponent submits that it has introduced evidence of actual confusion through the Mazutinec affidavit.

[85] The Applicant, however, submits that the evidence of Mr. Mazutinec is hearsay and incomplete; it is not neither reliable nor necessary and it does not provide a date of when the alleged communication occurred or a copy of the email.

[86] The Applicant further submits that “absent Mr. Mazutinec’s evidence of an alleged email exchange with a random American, the evidence actually shows that [the parties’ marks] have co-existed in the Canadian marketplace since [...] August 2001.” The Applicant submits that despite this lengthy co-existence, the Opponent has offered no reliable evidence of actual confusion of Canadian consumers, and thus, a negative inference should be drawn as to the likelihood of confusion.

[87] I agree that the one instance of alleged confusion is hearsay and, in any event, does not refer to an alleged instance with a Canadian consumer.

[88] With respect to co-existence, I note that Mr. Dorish states in his affidavit that he is “unaware of any instance in which any customer or prospective customer asked any of our sales representatives about Sunterra Foods or whether we were in any way related to the grocery store.” This statement, however, does not refer to SUNTERRA FARMS.

[89] Furthermore, the Opponent's evidence shows that its business is concentrated largely in central Alberta. On the other hand, the Applicant's evidence shows that its goods are harvested in Saskatchewan (Dorish affidavit, Exhibit A), with invoices billed from Manitoba to customers almost exclusively in New Brunswick, Quebec, Manitoba, Saskatchewan, and British Columbia (Dorish affidavit, Exhibit D). There is only one invoice in Exhibit D that reflects a sale in Alberta, which is dated September 26, 2019, less than one month prior to the date of Mr. Dorish's affidavit. Thus, it appears that the parties' goods and services have historically not geographically overlapped to any extent that would meaningfully demonstrate co-existence.

[90] Having regard to the aforementioned, I do not find that this is a surrounding circumstance that favours either party.

Conclusion

[91] Having considered all of the surrounding circumstances, I conclude that the Applicant has not satisfied its legal onus to show that there is no likelihood of confusion between its Marks and the Opponent's SUNTERRA FARMS Marks. I reach this conclusion in that as a matter of first impression, while the parties' goods and services are not identical, there is a link and overlap between the parties' goods, services, and areas of business. Furthermore, there is a high degree of resemblance between the parties' trademarks, the Opponent's marks are inherently distinctive as well as have acquired distinctiveness, and the Opponent has demonstrated a family of Sunterra trademarks.

[92] The section 12(1)(d) ground of opposition is therefore successful with respect to both of the Applicant's Applications. As such, I need not consider the likelihood of confusion between the Marks and any of the Opponent's remaining SUNTERRA Marks.

Section 2 Ground of Opposition

[93] The Opponent pleads that the Applicant's Marks are not distinctive within the meaning of section 2 of the Act as they do not distinguish, nor are they adapted to

distinguish, the goods and services set out in the Applications from the goods and services of others, including those of the Opponent.

[94] 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, August 21, 2018, one or more of the Opponent's SUNTERRA Marks or the Opponent's Sunterra trade name had become known to such an extent that it could negate the distinctiveness of the Marks. In *Bojangles' International, LLC v Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (FC) at para 33, the Federal Court provided that a mark could negate another mark's distinctiveness if it was known to some extent in Canada or alternatively, if it is well known in a specific area of Canada.

[95] The Applicant submits that the Opponent's evidence does not establish that the Opponent's SUNTERRA Marks have garnered a sufficient reputation in the Canadian marketplace to negate the distinctiveness of the Marks.

[96] I disagree. I am satisfied that the Price affidavit demonstrates that the Opponent's SUNTERRA Marks have become well known in central Alberta. I have accepted that the Price affidavit has shown use of a SUNTERRA family of trademarks, with significant associated sales over many years.

[97] Furthermore, the difference in the material date under this ground of opposition does not materially affect my findings under the sections 12(1)(d) ground of opposition. Therefore, in view of the likelihood of confusion between the Marks and the Opponent's SUNTERRA FARMS Marks, I conclude that the Applicant has not discharged its legal onus to show, on a balance of probabilities, that the Mark was distinctive as of August 21, 2018.

[98] Accordingly, the distinctiveness ground of opposition is successful.

Remaining Grounds of Opposition – Sections 16(1)(a), (b), and (c)

[99] As I have already found in the Opponent's favour with respect to its grounds of opposition under sections 12(1)(d) and 2, I will refrain from addressing the remaining grounds of opposition under sections 16(1)(a), (b), and (c).





DISPOSITION




[100] Having regard to the aforementioned, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the applications pursuant to section 38(12) of the Act.




Kathryn Barnett
Member
Trademarks Opposition Board
Canadian Intellectual Property Office


SCHEDULE A


Opponent's SUNTERRA Marks

Trademark	Registration Number	Goods and services
SUNTERRA FARMS	TMA578,838	Goods: (1) Live cattle and pigs for slaughter; live cattle and pigs for breeding; silage; grain; hay; oil seeds. Services: (1) Agricultural consulting services; agricultural services, namely, feeding cattle for others, selling live cattle for slaughter for others.
	TMA578,676	
	TMA518,902	Goods: (1) Food products namely: fresh fruit and vegetables, fresh and frozen meats and poultry; dairy products, namely: milk, butter, cheese, yogurt, ice-cream; prepared meat products namely: prepared meat and poultry entrees, ready-to-cook entrees, ready-to-eat entrees, ready-to-heat entrees; delicatessen meats; prepared meals namely: prepared salads, sandwiches; bakery products, namely: breads, buns, cakes, cookies, tarts, croissants, scones, pies; prepared desserts, namely: prepared puddings, gelatine, ready-to-eat dessert
SUNTERRA CATERING	TMA549,589	
	TMA549,616	
	TMA549,590	

	TMA549,517	<p>preparations; fresh and frozen fish; fresh and frozen shellfish; beverages, namely: coffee, tea, juices, bottled water, soft drinks; food trays holding an assortment of foot products, namely: crackers, prepared meats, fruits, and cheeses; gift baskets containing fruit or other food products namely: tea, coffee, crackers, biscuits, cookies, jams, jellies and cheeses.</p> <p>Services:</p> <p>(1) Grocery store services; delicatessen services; take-out food services; food catering services; food delivery services; nutritional advisory services; menu advisory services.</p>
SUNTERRA CELLAR	TMA580,268	<p>Services:</p> <p>(1) Retail liquor store services; bar catering services.</p>
	TMA644,374	
	TMA516,265	<p>Services:</p> <p>(1) Grocery store services; delicatessen services; take-out food services; food catering services; food delivery services; nutritional advisory services; menu advisory services.</p>
SUNTERRA MARKETPLACE	TMA583,190	

SUNTERRA MARKETPLACE	TMA578,965	Services: (1) Restaurant services.
SUNTERRA FRESH REWARDS	TMA581,760	Services: (1) The operation of a loyalty program, namely, issuing stored value cards for use by customers as part of an incentive program in which points may be accumulated and translated into cash value and used by customers to purchase goods and/or services at participating retailers.
 <i>Fresh Rewards Program</i>	TMA583,280	
	TMA581,803	Services: (1) Retail grocery store services. (2) Food delivery by grocery stores. (3) Delicatessen services. (4) Take-out restaurant services. (5) Food catering services. (6) Food delivery by restaurants. (7) Food nutrition counselling. (8) Menu advisory services. (9) Restaurant services.
SUNTERRA	TMA578,601	
SUNTERRA CELLAR	TMA520,416	Goods: (1) Drinks, namely: beer, ale and port, wine, spirits, liquors and mineral and aerated waters, carbonated non-alcoholic beverages and carbonated soft drink beverages.
 <i>Wines, Spirits & Beer</i>	TMA516,268	

SUNTERRA	TMA584,720	<p>Goods:</p> <p>(1) Fresh, frozen and prepared pork, beef, lamb and poultry products.</p> <p>(2) Fresh and frozen fish and shellfish products.</p>
	TMA582,298	<p>(3) Delicatessen meats.</p> <p>(4) Prepared entrees, namely, pre-prepared ready-to-cook, ready-to-eat and ready-to-heat entrees consisting primarily of combinations of meat and/or poultry and/or pork and/or lamb and/or fish and/or vegetables with or without sauces.</p> <p>(5) Prepared foods, namely, prepared salads consisting primarily of fruits and/or vegetables and/or meats and/or cheeses.</p> <p>(6) Breads and bakery products, namely, fresh and frozen bread, fresh rolls, buns, bagels, scones, croissants, danish's, muffins, cakes, pies, tortilla, pita and pizza shells, squares, tarts, cookies, pastries and loaves.</p> <p>(7) Beverages, namely, hot and cold coffee, hot and cold tea, fresh squeezed fruit juice and smoothie beverages consisting primarily of yogurt and/or sorbet and/or fresh or frozen fruit and/or fresh squeezed or frozen fruit juices.</p> <p>(8) Food trays consisting primarily of crackers, biscuits, breads, prepared meats, fruits, vegetables, cheeses, sandwiches, desserts, dips, pickles, olives, dried fruit,</p>

		<p>seafood, chips and hors d'oeuvres, namely, quiche, tarts, spanakopita, samosas, quesadilla, chicken wings, bruchetta, prawns, tapenade, salad rolls, sushi, California rolls, riblets, sates, petit fors and chocolate covered strawberries made to customers specifications.</p> <p>(9) Gift baskets consisting primarily of food products, alcoholic and non-alcoholic beverages made to customers specifications.</p>
SUNTERRA BISTRO	TMA510,051	<p>Services:</p> <p>(1) Grocery store services; delicatessen services; take-out food services; food catering services; food delivery services; nutritional advisory services; menu advisory services.</p> <p>(2) Restaurant services.</p>
SUNTERRA MARKET	TMA424,572	<p>Goods:</p> <p>(1) Food products namely: fresh fruit and vegetables, fresh and frozen meats and poultry; dairy products, namely: milk, butter, cheese, yogurt, ice-cream; prepared meat products namely: prepared meat and poultry entrees, ready-to-cook entrees, ready-to-eat entrees, ready-to-heat entrees; delicatessen meats; prepared meals namely: prepared salads; bakery products, namely: breads, buns, cakes, cookies, tarts, croissants, scones, pies; prepared desserts, namely: prepared</p>
	TMA424,573	

		<p>puddings, gelatine, ready-made dessert preparations; fresh and frozen fish; fresh and frozen shellfish; beverages, namely: coffee, tea, juices, bottled water, soft drinks; food trays holding an assortment of food products, namely: crackers, prepared meats, fruits, and cheeses; gift baskets containing fruit or other food products namely: tea, coffee, crackers, biscuits, cookies, jams, jellies and cheeses.</p> <p>Services:</p> <p>(1) Grocery store services; delicatessen services; take-out food services; food catering services; food delivery services; nutritional advisory services; menu advisory services.</p>
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Appearances and Agents of Record

HEARING DATE: 2023-01-23

APPEARANCES

For the Opponent: Eric Macramalla

For the Applicant: Mitchell Charness

AGENTS OF RECORD

For the Opponent: Gowling WLG (Canada) LLP

For the Applicant: Ridout & Maybee LLP