



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 076

Date of Decision: 2023-05-08

IN THE MATTER OF AN OPPOSITION

Opponent: 1237883 Alberta Ltd. DBA Sulbing

Applicant: Sulbing Co.,Ltd

Applications: 1791233 for SULBING, and
1894095 for SULBING Cafe in Special Showing

INTRODUCTION

[1] Sun Hee Jung has applied to register the trademarks SULBING (the Word Mark) and SULBING Cafe in Special Showing (the Design Mark; collectively, the Marks). The Design Mark is shown below:

Sul•bing *cafe*

[2] The Word Mark is applied for in association with the following services:

Cafe services featuring red bean ice flakes (Patbingsu); Restaurant services featuring red bean ice flakes (Patbingsu); Restaurant services featuring sweet red bean porridge;

Self-service restaurants; Snack-bars; restaurant services; canteen services; catering services; Food and drink catering; Cafes; Cafeterias; Coffee house services; Fast-food restaurants; Korean restaurant services; Cafe services featuring rice cakes; Restaurants; Hotels

[3] The Design Mark is applied for in association with the following services:

Cafe services featuring red bean ice flakes(Patbingsu); restaurant services featuring red bean ice flakes(Patbingsu); restaurant services featuring sweet red bean porridge; Self-service restaurants; snack-bars; restaurant services; canteen services; catering services; food and drink catering; cafes; cafeterias; coffee house services; fast-food restaurants; korean restaurant services; cafe services featuring rice cakes; restaurants

[4] On June 1, 2021, the Registrar recorded a change in title for the Marks to Sulbing Co.,Ltd (the Applicant).

[5] 1237883 Alberta Ltd. DBA Sulbing (the Opponent) opposes registration of the Marks. The opposition is based on allegations that the Marks are confusing with the Opponent's trade name "SULBING" and with its unregistered trademarks "SULBING" and a design trademark (collectively, the Opponent's Marks). The oppositions are also based on allegations that the applications do not comply with sections 30(a), (e), and (i) of the Act, and that the Marks are not distinctive. The Opponent's design mark is shown below:



[6] For the reasons that follow, the opposition is rejected.

THE RECORD

[7] The application for the Word Mark was filed on July 13, 2016, and the application for the Design Mark was filed on April 17, 2018. Each application was based on proposed use in Canada.

[8] The application for the Word Mark was advertised for opposition purposes in the *Trademarks Journal* on January 24, 2018, while the application for the Design Mark was advertised on September 12, 2018. On June 26, 2018, with respect to the Word Mark, and January 29, 2019, with respect to the Design Mark, the Opponent opposed the applications by filing statements of opposition under section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act).

[9] All references are to the Act as amended June 17, 2019, with the exception of references to the grounds of opposition which refer to the Act as it read before it was amended (see section 70 of the Act).

[10] The grounds of opposition are the same for each case and are summarized below:

- Contrary to sections 38(2)(a) and 30(a) of the Act, the statements of services in each of the applications do not contain a statement in ordinary commercial terms of the associated services.
- Contrary to sections 38(2)(a) and 30(e) of the Act, the Applicant did not and does not intend to use each Mark in Canada for the associated services.
- Contrary to sections 38(2)(a) and 30(i) of the Act, the Applicant could not have been satisfied that it was entitled to use the Marks in Canada in association with the associated services given that the Applicant should have been aware of the use in Canada of the Opponent's Marks in association with the Opponent's services prior to the date of filing of the application.
- Contrary to section 16(3)(a) of the Act, the Applicant was not the person entitled to registration of the Marks in association with the associated services as each Mark was confusing with the Opponent's Marks previously used in Canada.

- Contrary to section 16(3)(c) of the Act, the Applicant was not the person entitled to registration of the Marks in association with the associated services as each Mark was confusing with the Opponent's trade name "SULBING" previously used in Canada.
- Contrary to section 2 of the Act, each Mark is not distinctive since it does not distinguish, nor is it adapted to distinguish, the associated services from the goods and services of the Opponent in Canada.

[11] On August 28, 2018, with respect to the Word Mark, and April 10, 2019, with respect to the Design Mark, the Applicant served and filed counter statements denying each of the grounds of opposition. Both parties filed evidence, which is discussed below. Cross examinations were conducted with respect to the Opponent's evidence.

[12] Only the Applicant filed written representations and was represented at an oral hearing held on April 3, 2023.

EVIDENCE

Opponent's Evidence

Word Mark: Jun Jai Lee Affidavit

[13] In the proceeding involving the Word Mark, the Opponent filed the affidavit of Jun Jai Lee, the Operation Director of the Opponent as of December 27, 2018, when the affidavit was sworn. He states that the Opponent is an importer and distributor of Korean shaved ice dessert (patbingsu) ingredients, including various dessert mixes and sauces for patbingsu, dessert equipment including frozen dessert dispensers, freezers and refrigerators, and kitchenware including dessert bowls and dessert spoons. The affiant states that the Opponent has imported, manufactured, and distributed at least some of these goods to customers and businesses, including wholesalers in Canada, since at least as early as 2013. As Exhibit A, the affiant attaches a list of patbingsu ingredients and equipment currently imported, manufactured, and distributed by the Opponent.

[14] Mr. Lee states that these patbingsu ingredients and equipment are manufactured in the Republic of Korea and in Canada via contract manufacturing, and are then offered for sale via the websites *www.shopsulbing.ca* and *www.yesbing.com* and are also sold to wholesalers, with one or more of the Opponent's Marks displayed on the packaging for such goods.

[15] As Exhibits B through I, Mr. Lee attaches photographs of packaging for patbingsu mixes and sauces sold in Canada by the Opponent "since at least as early as 2013". Each example of such packaging displays the Opponent's design mark and word mark.

[16] As Exhibit J, Mr. Lee attaches sample copies of "actual invoices arising from the wholesale sale" of patbingsu ingredients and equipment by the Opponent in Canada, "where said goods were sold in association with [the Opponent's Marks] in the normal course of trade". He adds that such "invoices were created in the course of the sale and transfer of said wares in Canada in the normal course of trade". The invoices display the Opponent's Marks in their headings and list sales of various powders, sauces, kitchenware, and ice machines.

[17] Mr. Lee provides figures for annual sales of patbingsu ingredients and equipment in Canada for the years 2013 through 2018, ranging from tens of thousands to hundreds of thousands of dollars. He also provides figures for amounts spent on advertising and promotion of its patbingsu ingredients and equipment for the years 2013 through 2018, ranging from \$5,000 to \$20,000 per year. Mr. Lee states that such advertising included flyers, newspapers, and on the internet. Finally, as Exhibit K, Mr. Lee attaches an example for fruit sauces for patbingsu; I note that the picture shows three packages for fruit sauces displaying the Opponent's Marks.

Cross-Examination of Jun Jai Lee

[18] Mr. Lee was cross-examined on his affidavit on September 17, 2020, and the Opponent filed and served its responses to undertakings and refusals on October 29, 2020. In the course of the cross-examination and responses, Mr. Lee claimed that:

- he left the company in August 2019;

- the Opponent operated its websites beginning in 2013 or 2014, but took down its websites beginning in 2018, and no records showing the past appearance of these websites were available;
- the Korean address, telephone, email address, and website address (listed as *www.coffeezone.com*) shown on the picture in Exhibit B, “are those of the Contract Manufacturer that the Opponent engaged to manufacture for the Opponent the particular goods” depicted in that exhibit; and
- the Exhibit J invoices “were printed out from the Opponent’s accounting system at the time that Mr. Lee’s Affidavit was being prepared”, and the invoices dated January 8, 2015, and earlier would have appeared in a different format not displaying the Opponent’s Design Mark.

[19] I note that the Opponent refused to provide the names of the manufacturers and suppliers that provided the Opponent with the exhibited products other than the manufacturer identified in Exhibit B. As Schedules 4, 5, and 6 to its responses to undertakings, the Opponent attaches advertising material displaying the Opponent’s Marks in the course of advertising dessert equipment in pamphlets, brochures, and in Mandarin and Korean language newspapers and websites. As Exhibit 7, the Opponent attaches invoices for advertisements in such newspapers and websites.

Design Mark: Ko Un Lee Affidavit

[20] In the proceeding involving the Design Mark, the Opponent filed the affidavit of Ko Un Lee, a Director of the Opponent, sworn August 13, 2019. The affidavit is substantially the same as the affidavit of Jun Jai Lee. In particular, I note that at paragraphs 2-4 of Ms. Lee’s affidavit, she states that she is “the Director” of the Opponent, that she has worked for the Opponent since September 2013, that she is “responsible for overseeing overall operations at [the Opponent], including sales, product development, product distribution, and overseeing [the Opponent]’s advertising, branding, and use of” the Opponent’s Marks. She further states that she “wholly own[s]” the Opponent.

Cross-Examination of Ko Un Lee

[21] Ms. Lee was cross-examined on her affidavit on September 17, 2020, and the Opponent filed and served its responses to undertakings and refusals on October 29, 2020. In the course of the cross-examination and responses, Ms. Lee stated that she had in fact joined the company in September 2015, rather than September 2013, and that she has no ownership interest in the company. Her responses to undertakings are largely the same as those of Mr. Lee.

Applicant's Evidence

[22] The Applicant submitted two affidavits as its evidence in chief in these proceedings: the affidavit of Jun Won Cho, a Deputy General Manager in charge of the Global Business division of the Applicant, and the affidavit of Jung Jae Ryong, the CEO of Coffee Zone Co., Ltd.

Jun Won Cho Affidavit

[23] The Cho affidavit describes the Applicant's business as a Korean dessert café chain selling Korean desserts including patbingsu. According to the affiant, the Applicant opened its first retail outlet in South Korea on April 7, 2013, and its style of dessert "became an instant mega hit" resulting in rapid expansion throughout Korea and beyond. According to the affiant, the Applicant has executed franchise agreements in Thailand, Japan, Australia, Cambodia, Philippines, Kuwait, and Canada, and has applied for and/or registered its Sulbing trademarks in many countries. The affiant states that "as a result of the Applicant's global fame, imposters around the world have attempted to ride on the coattails of the Applicant's worldwide fame"; as an example, as Exhibit 8, the affiant attaches a copy of a court case in China where the court invalidated a trademark on the grounds of unfair competition. A number of other exhibits are attached to the affidavit showing sales figures for its products and locations of its cafés in Korea, Thailand, Japan, Cambodia, and Australia, Korean advertising materials and advertising expenditures, and other materials.

Jung Jae Ryong Affidavit

[24] Jung Jae Ryong identifies himself as the CEO of Coffee Zone Co. Ltd. (Coffee Zone), a company whose physical address and email address are the same as those listed on the packaging shown as Exhibit B of the Opponent's affidavits. Mr. Ryong states that Coffee Zone was founded in 1997 and that its business is "retail/wholesale of food (and relevant goods) both on-line and off-line". Mr. Ryong refers to the packaging shown as Exhibit B of the Opponent's affidavits, and states that Coffee Zone "has no history of exporting any goods to Canada since 1995, Coffee Zone's founding year"; that Coffee Zone "is not, and has never been, [the] Opponent's Contract Manufacturer"; and that Coffee Zone "has never produced or manufactured" the goods shown in the Opponent's affidavit. As Exhibit C, Mr. Ryong attaches records showing that Coffee Zone did not export any goods between 2013 and 2021.

Additional Affidavits: Request for Leave

[25] On March 17 and 24, 2023, respectively, the Applicant requested leave pursuant to section 55 of the *Trademarks Regulations*, SOR/2018-227 (the Regulations), to file the affidavits of Alyssa Lamont, an articling student with the Applicant's agent of record, and Kim Jong-gil, a Director of the Applicant. The former affidavit attaches a corporate profile search for the Opponent from ESC Corporate Services Ltd., showing that the Opponent has been dissolved as of October 2022 and no longer exists as a legal entity. The latter affidavit attaches a copy of a criminal complaint filed by the Applicant against the directors of the Opponent based on alleged violation of the Criminal Code of South Korea.

[26] The Registrar requested comments from the Opponent as to whether it objected to leave being granted to file these additional affidavits. No response was received from the Opponent.

[27] Leave to file additional evidence will only be granted if the Registrar is satisfied that it is in the interests of justice to do so having regard to all the surrounding circumstances, including:

- the stage the opposition proceeding has reached;
- why the evidence was not submitted earlier;
- the importance of the evidence; and
- the prejudice that will be suffered by either party [see *McDowell v Automatic Princess Holdings, LLC*, 2015 FC 980].

[28] In my view, the aforementioned factors favour leave being granted. With respect to the first factor, the affidavits and leave request were forwarded to the Opponent prior to the oral hearing, such that the Opponent had the opportunity to provide comments had it chosen to attend the hearing or in writing pursuant to the Registrar's letter. I am satisfied that the affidavits could not reasonably have been submitted earlier, that their importance weighs in favour of leave being granted, and in the absence of submissions I have no basis on which to find that the Opponent is meaningfully prejudiced by their admission. Accordingly, I am prepared to grant leave pursuant to section 55 of the Regulations for the Applicant to file these affidavits.

PRELIMINARY ISSUE – CREDIBILITY OF AFFIANTS

[29] The Applicant submits that the statements by the Opponent's affiants that Coffee Zone, the entity identified on the Exhibit B packaging was a contract manufacturer for the Opponent, is "materially false" in light of the Ryong affidavit. As such, the Applicant submits that the veracity of the other exhibits to the Opponent's affidavits are called into question, and notes that the Opponent refused an undertaking to provide the Applicant with the necessary information to verify the veracity of Exhibits C through I to the Opponent's affidavits. The Applicant further notes that the Opponent's affiants stated in their affidavits that the invoices attached as Exhibit J are "copies of actual invoices [...] created in the course of the sale and transfer" of the Opponent's goods, while on cross-examination, it was revealed that those invoices were generated at the time the affidavits were produced and that the invoices issued at the time would have appeared differently. Finally, with respect to the Ko Un Lee affidavit filed in the proceeding involving the Design Mark, the Opponent notes that the affiant made inaccurate statements regarding her ownership and tenure of employment with the Opponent.

[30] I concur with the Applicant that these inconsistencies raise serious doubts as to the reliability of the Opponent's evidence. In particular, the Ryong affidavit appears to directly contradict claims made by both of the Opponent's affiants in their affidavits and in cross-examination. I further note that the Opponent had the opportunity to cross-examine the Applicant's affiants and to file reply evidence or written representations in order to address this apparent contradiction, but chose not to do so. Furthermore, both affiants refused an undertaking to provide further details regarding the contract manufacturers for the items shown in Exhibits C through I to their affidavits, which could have demonstrated their veracity and allowed me to give weight to them. As such, I am left with uncontested evidence that directly contradicts statements and evidence produced by the Opponents' affiants in both their affidavits and in cross-examination.

[31] As the Applicant's questions and requests for further information with respect to Exhibits C through I were proper, I draw an adverse inference [see *Joseph E Seagram & Sons Ltd et al v Seagram Real Estate Ltd* (1984), 3 CPR (3d) 325 at 332 (TMOB)] and find that these exhibits are not reliable and do not assist the Opponent in proving use proof its trademark.

[32] As noted by the Applicant, the issues with the reliability of the Opponent's evidence are not limited to the photographs attached as Exhibits B through I. The reliability of the Opponent's evidence is further called into question by the fact that the "copies of actual invoices [...] created in the course of the sale and transfer" of the Opponent's goods were in fact generated at the time of swearing of the affidavits in a different format from how they would have appeared at the time of the alleged sale and transfer of said goods. Further, in the case of the affidavit of Ko Un Lee, the fact that certain identifying details proved to be inaccurate suggests, at best, a lack of attention by the affiant to the details of the affidavit.

[33] In such circumstances, and in the absence of any further explanation or clarification from the Opponent regarding these inconsistencies, I am not prepared to give any significant weight to the affidavits of Jun Jai Lee or Ko Un Lee [for similar conclusions, see *Arnick Ltd v Audio Research Corp* (1984), 2 CPR (3d) 508 (TMOB) at

para 14; *William Switzer & Associates (2011) v Real Switzer Holdings Ltd*, 2018 TMOB 158 at para 25; *I Quint Group Inc v Quintcap Inc*, 2021 TMOB 280].

MATERIAL DATES AND ONUS

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

- sections 38(2)(a)/30: the filing date of the application (July 13, 2016, for the Word Mark; April 17, 2018, for the Design Mark) [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- sections 16(3)(a) and (c): the filing date of the application (July 13, 2016, for the Word Mark; April 17, 2018, for the Design Mark) [see section 16(1) of the Act]; and
- sections 38(2)(d)/2: the date of filing of the opposition (June 25, 2018, for the Word Mark, and January 29, 2019, for the Design Mark) [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185].

[35] Before considering the grounds of opposition, it is necessary to review some of the requirements with regard to (i) the evidential burden on an opponent to support the allegations in the statement of opposition and (ii) the legal onus on an applicant to prove its case.

[36] With respect to (i) above, there is an evidential burden on an opponent to support the facts in its allegations pleaded in the statement of opposition: *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298. The presence of an evidential burden on an opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist. With respect to (ii) above, the legal onus is on an applicant to show that the application does not contravene the provisions of the Act as alleged by an opponent (for those allegations for which the opponent has met its evidential burden). The presence of a legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against an applicant.

[37] The initial burden on an opponent under a section 30(a) ground is a light one and it can be met through argumentation alone [see *McDonald's Corp v MA Comacho-Saldana International Trading Ltd* (1984), 1 CPR (3d) 101 (TMOB) at 104]. With respect to section 30(e), as the facts regarding the Applicant's intentions are particularly within the knowledge of the Applicant, the initial burden on the Opponent is lighter than usual [see *Molson Canada v Anheuser-Busch Inc*, 2003 FC 1287]. However, if the Opponent relies upon the Applicant's evidence to meet its initial burden, the Opponent must show that the Applicant's evidence puts into issue the claims set forth in the application [see *Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd*, 2014 FC 323 at paras 30-38].

[38] In this case, in the absence of reliable evidence or submissions with respect to these grounds, the Opponent has not met its initial burden. As such, the section 30(a) and (e) grounds of opposition are dismissed.

[39] With respect to section 30(i), where an applicant has provided the required statement, the jurisprudence states that non-conformance with section 30(i) of the Act can be found only where there are exceptional circumstances that render an applicant's statement untrue [*Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. It has previously been held that mere knowledge of the existence of an opponent's trademark does not in and of itself support an allegation that the applicant could not have been satisfied of its entitlement to use its mark [*Woot, Inc v WootRestaurants Inc Les Restaurants Woot Inc*, 2012 TMOB 197]. In this case, in the absence of reliable evidence or submissions with respect to this ground of opposition, the Opponent has not met its initial burden. As such, the section 30(i) ground of opposition is dismissed.

[40] With respect to the section 16(3)(a) and (c) grounds of opposition, to meet its initial burden, the Opponent must show that it had used or made known one or more of the Opponent's Marks and/or its trade name Sulbing in Canada prior to the date of filing of the application. Furthermore, the Opponent must establish non-abandonment of the Opponent's Marks as of the date of advertisement of the application for the Mark. In the

absence of reliable evidence, the Opponent has not met its initial burden with respect to these grounds. As such, the sections 16(3)(a) and (c) grounds of opposition are dismissed.

[41] With respect to the section 2 ground, there is an initial burden on the Opponent to establish that, as of the filing of the opposition, one or more of the Opponent's trademarks or trade name relied upon were known to a sufficient extent that could negate the distinctiveness of the applied-for Mark [*Bojangles' International LLC v Bojangles Café Ltd*, 2006 FC 657]. In the absence of reliable evidence, the Opponent has not met its initial burden with respect to this ground. As such, the section 2 ground of opposition is dismissed.

DISPOSITION

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

G.M. Melchin
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2023-04-03

APPEARANCES

For the Opponent: No one appearing

For the Applicant: Steven Andrews

AGENTS OF RECORD

For the Opponent: No agent appointed

For the Applicant: Andrews Robichaud