



# Canadian Intellectual Property Office

## **THE REGISTRAR OF TRADEMARKS**

**Citation:** 2023 TMOB 153

**Date of Decision:** 2023-08-31

## **IN THE MATTER OF AN OPPOSITION**

**Opponent:** The Ritz-Carlton Hotel Company, L.L.C.

**Applicant:** Ritzyachts Inc.

**Application:** 1870982 for RITZ YACHTS

### **OVERVIEW**

[1] Ritzyachts Inc. (the Applicant) has applied to register the trademark RITZ YACHTS (the Mark), based on proposed use in association with yachts and the custom manufacture of yachts, and based on use in Canada since at least July 15, 2017, in association with yacht and boat conversion, renovation, refit and repair.

[2] The Ritz-Carlton Hotel Company, L.L.C. (the Opponent) alleges that the Mark is confusing with its well-known RITZ-CARLTON trademarks, which are the subject of multiple applications and registrations including: TMA775,812; TMA526,845 and TMA254356. The Opponent's trademarks have been used in association with hotel and hospitality services, and more recently, in association with arranging cruises for others.

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

## **THE RECORD**

[4] The application was filed on December 1, 2017, and was advertised in the *Trademarks Journal* issue dated April 24, 2019. The Opponent opposed the application for the Mark pursuant to section 38 of the *Trademarks Act*, RSC 1985, c T-13, as amended June 17, 2019 (the Act), on October 23, 2019. The grounds of opposition will be assessed based on the Act as it read immediately before June 17, 2019, unless otherwise noted pursuant to section 70 of the Act.

[5] The counter statement was filed and served on November 22, 2019.

[6] The evidence of the Opponent consists of the affidavits of: Timothy Grisius, Global Real Estate Officer, Dane Penney, Trademark Search Specialist of the Opponent's agent and Barbara Buick, Private Investigator. Both Ms. Buick and Mr. Grisius were cross-examined on their affidavits. The cross-examination transcript of Ms. Buick, along with the answers to undertakings and supporting documents have been made of record. For reasons that will be discussed below, the Opponent requested that the cross-examination of Mr. Grisius not be made of record.

[7] The Applicant's evidence consists of the affidavit of Mohammad R. Dashtifard, President of the Applicant. Mr. Dashtifard was cross-examined on his affidavit. The transcript of his cross-examination, along with exhibits, have been made of record.

[8] The Opponent did not file reply evidence.

[9] Only the Opponent filed written representations and no hearing was conducted.

## **GROUND OF OPPOSITION, EVIDENTIAL BURDEN AND LEGAL ONUS**

[10] The Opponent relies on the following grounds of opposition:

- the application does not comply with the requirements of section 30(b) of the Act;
- the application does not comply with the requirements of section 30(e) of the Act;
- the application does not comply with the requirements of section 30(i) of the Act ;

- the Mark is not registrable pursuant to section 12(1)(d) of the Act;
- the Applicant is not entitled to register the Mark pursuant to section 16(1)(a) of the Act;
- the Applicant is not entitled to register the Mark pursuant to section 16(3)(a) of the Act; and
- the Mark is not distinctive within the meaning of section 2 of the Act.

[11] For each of the Opponent's grounds of opposition, there is an initial evidential burden on the Opponent to adduce evidence from which it could reasonably be concluded that the facts alleged to support that ground of opposition are true. If this initial burden is met, then the Applicant bears the legal onus of satisfying the Registrar that, on a balance of probabilities, the ground of opposition should not prevent registration of the Mark [see *John Labatt Ltd v Molson Companies Ltd*, 1990 CanLii 11059 (FC), 30 CPR (3d) 293 (FCTD)].

## **PRELIMINARY ISSUES**

### ***Admissibility of Grisius Cross-Examination***

[12] The Opponent submits that, pursuant to section 25 of the *Trademarks Regulations* (the Regulations), and consistent with Rule 120 of the *Federal Court Rules*, the Applicant could only have proceeded with the cross-examination of Mr. Grisius with and through a registered Canadian trademark agent. In view that Mr. Dashtifard is not a registered Canadian Trademark Agent nor a solicitor, the Opponent's position is that the Applicant has waived its right to cross-examination of Mr. Grisius in this proceeding, and therefore the resulting transcript of the cross-examination of Mr. Grisius should be struck from the record.

[13] I respectfully disagree with the Opponent on this issue. While the Federal Court Rules may require that a corporation be represented by a solicitor before the Federal Court and Federal Court of Appeal, there is no equivalent requirement for the Office of the Registrar. Section 25 of the Regulations sets out which third party may represent a

party before the Office of the Registrar, which in most cases is a trademark agent except for specific acts. The Regulations do not require a corporation to be represented by a trademark agent. Therefore, as President of the Applicant, Mr. Dashtifard was permitted to act on behalf of the Applicant and cross-examine Mr. Grisius. Accordingly, the cross-examination transcript of Mr. Grisius has been made of record.

### ***Refusals at Cross-examination***

[14] The Applicant's affiant, Mr. Dashtifard, refused to answer many questions posed during his cross-examination, stating that the cross-examination had to stay within the scope of his affidavit (for example, see the discussion at Qs. 13 and 144). In *Coca-Cola Ltd v Compagnie française de Commerce International COFCI S.A.*, (1991), 35 CPR (3d) 406 (TMOB) at 412–413, the Registrar explained the scope of cross-examination in opposition decisions:

Although the scope of cross-examination is certainly not as broad as that allowed in an examination for discovery in a civil action, it may extend beyond the particular issue for which the affidavit in question was submitted. This follows, in my view, from the fact that an opposition is not simply an 'inter partes' proceeding but also involves a consideration of the public interest. For example, it is in the public interest to allow an officer of an applicant to be questioned as to the accuracy of a date of first use to ensure the legitimacy of an applicant's claimed basis for registration. The extended scope of cross-examination in opposition proceedings also follows (at least in the case of a ground of non-compliance with s. 30(b) of the Act) from the fact that the facts relating to that ground are, in most cases, only within the knowledge of the applicant. Thus, if the Grivory affidavit is found to be limited solely to the issue of the nature of the applicant's wares and trade, I consider that the opponent was nevertheless entitled to an extended scope to its cross-examination to cover the related issue of the applicant's date of first use of its trademark.

[15] It has also been held that failure to answer proper questions or submit and serve answers to undertakings may result in negative inferences being drawn or in the affidavit being ignored at the decision stage [*Joseph E Seagram & Sons Ltd et al v Seagram Real Estate Ltd* (1984), 3 CPR (3d) 325 at 332 (TMOB)].

[16] Given that the section 30(b) ground of opposition concerns the Applicant's use of the Mark and the affidavit discusses the Applicant's date of first use, I will draw the

requested inferences from the Applicant's refusal of questions which put the date of first use in issue including the following:

- while the affiant claims to have generated some customers at a Toronto Marina, on cross-examination he refused to quantify the number of customers or clients he generated as a result of these activities prior to July 15, 2017, or at all (Qs. 281-318);
- the affiant refused to answer certain relevant questions about his website (Qs. 192-198);
- the affiant refused to answer if he was paid for services alleged to have been invoiced (Qs. 139-143);
- the affiant refused to answer how many employees he had (Qs. 201–202);
- the affiant refused to answer certain questions about his business records (Qs. 212–214).

## **ANALYSIS OF THE GROUNDS OF OPPOSITION**

### ***Section 30(e) Ground of Opposition***

[17] The material date for the section 30(e) ground of opposition is the filing date of the application, namely, December 1, 2017 [see *Georgia-Pacific Corporation v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at para 16]. The application is based in part on proposed use of the Mark in Canada in association with yachts and the custom manufacture of yachts. The Opponent alleges that the Applicant is a “repairing shop” and never intended to sell yachts.

[18] To meet its evidential burden with respect to this ground of opposition, the Opponent must adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support this ground exist. The evidential burden with respect to section 30(e) is relatively light as the facts at issue may be exclusively in the possession of the Applicant [*Canadian National Railway Co v Schwauss* (1991), 35 CPR (3d) 90 (TMOB) at 94-96].

[19] In support of this ground, the Opponent relies on the following excerpt from the cross-examination of Mr. Dashtifard to show that the Applicant never intended to sell yachts.:

Q. 231 – Did Ritzyachts Inc. advertise, offer or perform the sale of yachts bearing the trademark Ritz Yachts before October 11, 2016?

A. Ritzyachts Inc. is not in the business of sell, so the answer would be no.

Q. 232 - Okay. So when you say it's not in the business of selling –

A. Selling yachts or boats. We are a repairing shop.

Q. 233 – Do you intend for Ritzyachts Inc., or does Ritzyachts Inc. intend to sell boats –

A. No.

Q. 234 - -- in the future?

A. No.

[20] I am satisfied from the above admission obtained on the cross-examination of Mr. Dashitard that the Applicant never intended to sell yachts. Further, I find this evidence sufficient to put into issue whether the Applicant ever intended to provide the services of the custom manufacture of yachts. As the Applicant did not provide any evidence to show otherwise, this ground is successful with respect to both yachts and the custom manufacture of yachts.

### **Section 30(b) Ground of Opposition**

[21] The issue under section 30(b) of the Act is whether the Applicant had continuously used the Mark in association with those applied-for services based on use in Canada since the alleged date of first use [see *Labatt Brewing Co v Benson & Hedges (Canada) Ltd* (1996), 67 CPR (3d) 258 (FCTD)]. In this case, the Opponent alleges that the Applicant has not used the Mark in connection with its yacht and boat

conversion, renovation, refit and repair services, as of the date of first use claimed in the application, namely July 15, 2017.

[22] An opponent's initial burden under section 30(b) is light [*Tune Masters v Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB) at 89] and can be met by reference not only to the opponent's evidence but also to the applicant's evidence. [*Labatt Brewing Co v Molson Breweries, A Partnership*, 1996 CanLII 17947 (FC), 68 CPR (3d) 216 (FCTD) at 230; *Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd*, 2014 FC 323 at paras 30-38 (*Bacardi*)]. However, the opponent may only successfully rely on the applicant's evidence to meet its initial burden if the opponent shows that the applicant's evidence puts into issue the claim set forth in the application [see *Corporativo de Marcas*, at paras 30-38]. In other words, does the applicant's evidence contain facts which are clearly inconsistent with the claimed date of use or otherwise cause the trier of fact to doubt that claimed date? It should also be noted that the applicant is under no obligation to evidence its claimed date of first use if this date is not first put into issue by an opponent meeting its evidential burden [*Kingsley v Ironclad Games Corp*, 2016 TMOB 19].

[23] Section 4(2) of the Act sets out what constitutes "use" of a trademark in connection with services: It reads as follows:

4. ...

(2) A trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

[24] I am satisfied from the adverse inferences drawn during the cross-examination of Mr. Dashtifard that the Opponent has met its initial evidential burden under this ground. Specifically, Mr. Dashtifard's refusal to answer proper questions concerning the date of and scope of use of the Mark are sufficient for the Opponent to meet its initial evidential burden.

[25] The onus therefore shifts to the Applicant to show that it used the Mark within the meaning of the Act in association with those services which are based on previous use

in Canada, namely its applied for yacht and boat conversion, renovation, refit and repair services.

[26] The Applicant's evidence may be summarized as follows:

- The Applicant was incorporated on October 11, 2016.
- Mr. Dashtifard chose the name RITZ YACHTS because he wanted to provide excellent services to the luxury market and RITZ is an apt name for such business.
- In December of 2016, Mr. Dashtifard hired a web developer to create a website for his company to advertise his yacht repair services. It was live at *ritzachts.com* for "a while" until his hosting package expired and his web developer missed the web hosting renewal notices.
- Mr. Dashtifard purchased business cards in mid February 2017, to advertise his yacht, boat conversion, renovation, refit and repair services under the name RITZ YACHTS, and distributed them to people at two Toronto area marinas.
- Mr. Dashtifard found a number of clients for his services at the Toronto marina in the spring and summer of 2017. He purchased the necessary supplies and parts and immediately began servicing those clients.
- Attached as exhibits to Mr. Dashtifard's affidavit are copies of an invoice for his business cards as well as an invoice for the purchase of items for yacht repair, maintenance, and renovations.
- The Applicant conducted two Nuans pre-search reports for the trade name RITZ.

[27] As noted above, in accordance with section 4(2) of the Act, a trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services. In this case, there is no clear description in Mr. Dashtifard's affidavit of any instance in which any of services at issue were actually performed or advertised during the relevant period. As pointed out by the Opponent, the Dashtifard affidavit contains no sales or revenue figures from which it

can be inferred that the Applicant was compensated for any services provided to any third parties. The only invoices attached to Mr. Dashtifard's affidavit are invoices issued by third parties *to* the Applicant and not *by* the Applicant to third parties for services provided. These invoices include invoices issued for the purchase of business cards, as well as invoices for the purchase of supplies and parts to repair yachts.

[28] At best, based upon Mr. Dashtifard's evidence that his company was incorporated on October 11, 2016, his statement in his affidavit that he purchased and distributed business cards to advertise his yacht, boat conversion, renovation, refit and repair services under the name RITZ YACHTS in the spring and summer of 2017, and his purchase of the necessary supplies and parts to "service those clients", I could infer that he was offering and prepared to offer these services prior to the material date.

[29] However, even if I were to infer that each of the yacht, boat conversion, renovation, refit and repair services were offered prior to the material date, there is no evidence as to how the Mark would have been displayed in the performance or advertisement of any such services. As noted above, while the affiant alleged to have invoiced for sales performed, the Dashtifard affidavit contains no evidence or even mention of such invoices. Further, on cross-examination, Mr. Dashtifard refused to answer whether he was paid for services alleged to have been invoiced (Qs. 140-143).

[30] In addition, while business cards may be considered evidence of the advertisement of services where they have indicia of the relevant services on them [see *88766 Canada Inc v RH Lea & Associates Ltd*, 2008 CarswellNat 4513 (TMOB); *Tint King of California Inc v Canada (Registrar of Trade Marks)*, 2006 FC 1440], in this case the business cards simply contain the Applicant's Mark as well as the name and contact information for the name the affiant was known by. There is no indication of any of the Applicant's yacht, boat conversion, renovation, refit or repair services. Thus, even if I were to accept that the business cards were used to advertise the Applicant's business in general, I cannot conclude that the mere presence of the Mark on the business cards constitutes advertisement of these specific applied for services [see *Dentons Canada*

*LLP v Penn West Petroleum Ltd*, 2017 TMOB 157 at para 22; *Bijoux Caroline Néron Inc v Nadoiski*, 2013 TMOB 2 at para 13].

[31] Finally, while Mr. Dashtifard claims to have hired a web developer to create a website for the Applicant in December 2016, and that such website was “live for a while”, he was unable to provide any evidence to demonstrate that there had been an active website at “*ritzyachts.com*” at any time. Further, searches of the URL *https://ritzyachts.com* conducted by the Opponent’s affiants prior to the cross-examination did not locate any active website [see Penney Affidavit, paras 2-3, Exhibits A&B; Buick Affidavit, paras 2-3, Exhibit A]. In this regard, on August 6, 2018, a search performed via the Internet Archive Wayback Machine located a holding page at the url *https://ritzyachts.com* that displayed the text “RITZ YACHTS RITZ YACHTS COMING SOON.” Meanwhile, on March 17, 2020, the url *https://ritzyachts.com* produced an error message that said “this site can’t be reached”. This url only resolved to an active website on the date of Mr. Dashtifard’s cross-examination, which was after the material date for this ground of opposition.

[32] In view of the above I am not satisfied that the Applicant has met the legal onus on it to show that it had continuously used the Mark in association with those applied-for services in Canada which are based on use since the date claimed. This ground is therefore successful with respect to those services.

### **REMAINING GROUNDS OF OPPOSITION**

[33] In view that I have found the Opponent successful with respect to two grounds of opposition, I do not consider it necessary to review the remaining grounds of opposition.

**DISPOSITION**

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

---

Cindy R. Folz  
Member  
Trademarks Opposition Board  
Canadian Intellectual Property Office

# Appearances and Agents of Record

**HEARING DATE:** No hearing held

## **AGENTS OF RECORD**

**For the Opponent:** Bereskin & Parr LLP/S.E.N.C.R.L., S.R.L.

**For the Applicant:** No agent appointed