



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 174

Date of Decision: 2023-10-11

IN THE MATTER OF AN OPPOSITION

Opponent: Remitly, Inc.

Applicant: Remitbee Incorporated

Application: 1,849,817 for REMITBEE

INTRODUCTION

[1] Remitbee Incorporated (the Applicant), a privately owned Canadian company, has filed application No. 1,849,817 (the Application) to register the trademark REMITBEE (the Mark) in association with what is essentially software as a service, to provide money remittance.

[2] Remitly, Inc. (the Opponent) is a large U.S. based company who opposes registration of the trademark. Opposition is based primarily on a wide variety of technical grounds alleging non-compliance with section 30 of *Trademarks Act*, RSC 1985, c T-13 (the Act) as well as non-distinctiveness.

[3] The parties are not strangers to each other. The current Applicant opposed the current Opponent's application No. 1,749,276 for the trademark REMITLY, allowed for

registration on June 30, 2022, and currently under appeal [see *Remitbee Incorporated v Remitly, Inc* (2022) TMOB 126 (*Remitbee*)].

[4] After considering all evidence and arguments, for the reasons that follow, I refuse the Application.

THE RECORD

[5] The Applicant filed its application July 28, 2017, claiming use of the Mark in Canada since at least as early as April 14, 2015, in association with the services (the Services):

Software as a service (SAAS) provider in the field of online money transferring, namely, software as a service (SAAS) provider facilitating the electronic transfer of funds between individuals via mobile applications and via the Internet.

[6] Advertisement of the Application for opposition purposes occurred in the *Trademarks Journal* of September 26, 2018, and on February 26, 2019, the Opponent filed its statement of opposition, 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. In accordance with section 70 of the Act, all references are to the Act as amended, with the exception of references to the grounds of opposition which refer to the Act before it was amended.

[7] The Opponent has raised grounds of opposition under section 30(b), 30(i) and section 38(2)(d) of the Act. The grounds of opposition, as amended, are detailed in my analysis below.

[8] The Applicant filed and served its counter statement on May 8, 2019, in support of the Application. The counter statement denies all grounds of opposition.

[9] The Opponent's evidence in chief includes the affidavit of Ms. Katherine Allen, dated August 28, 2019, and Mr. Aaron Gregory dated August 14, 2019. Mr. Gregory is General Counsel with the Opponent.

[10] Ms. Allen is an articling student working with the Opponent's agent of record. Her affidavit comprises materials she was instructed to search for, including various corporate name and business name searches as well as corporate documents searches relating to the Applicant and Thamor Trading Corporation (Thamor), a company related to the Applicant and an alleged licensee . She also searched the money services business registry and provided information from the Financial Transactions and Report Analysis Centre of Canada (FINTRAC).

[11] Ms. Allen's evidence included materials from a prior proceeding involving the parties. This evidence includes an affidavit of Peratheepan Yoganathan (First Yoganathan affidavit), sworn September 18, 2017, a solemn declaration of Mr. George Demetriou dated October 17, 2017, that merely corrected a technical deficiency in Mr. Yoganathan's First affidavit, and associated transcripts. The affidavit materials also include correspondence associated with these materials.

[12] Mr. Gregory's affidavit (Second Gregory affidavit) attaches the evidence he filed in the prior proceeding (First Gregory affidavit). He confirms his identity, and states that he adopts the contents of the prior affidavit and cross-examination responses.

[13] Neither of the Opponent's affiants were cross-examined.

[14] In support of the Application, the Applicant relies upon the affidavit of Mr. Peratheepan Yoganathan (Second Yoganathan affidavit), the Applicant's Director of Finance. Mr. Yoganathan's affidavit is dated December 27, 2019 and includes exhibits identical to those relied upon in the prior proceeding. Mr. Yoganathan was cross-examined on his affidavit and the transcript (Yoganathan Transcript) was filed. I note the transcript is replete with refusals.

[15] The Opponent relies on the affidavit of Ms. Bernadette Sisk who is a law clerk with the Opponent's Agent as reply evidence. This evidence comprises the results of various on-line searches Ms. Sisk conducted.

[16] The parties each filed written representations and their representatives attended a hearing.

PRELIMINARY ISSUE NOTE HEADING

Admissibility of Evidence from Other Proceeding

[17] For the purposes of considering the admissibility and probative value of the evidence originating with the prior proceeding, I consider there to be generally three categories as follows:

- The First Gregory affidavit and associated transcript, filed in the earlier proceedings in support of the (current) Opponent's application No. 1,749,276 for the trademark REMITLY. I note that the Second Gregory affidavit, dated August 14, 2019, and filed in respect of the current proceeding contains statements confirming the identity of Mr. Gregory and also confirms that the affidavit attached is the one filed in respect of the previous proceeding (Second Gregory affidavit, paras 6 and 7).
- The First Yoganathan affidavit and Yoganathan Transcript. This evidence is attached as an exhibit to the affidavit of Ms. Allen filed by the Opponent in support of this opposition. The materials are also in evidence as an exhibit to the cross-examination of Mr. Yoganathan.
- Mr. Demetriou's affidavit, associated cross-examination transcript and letters taken from the Opponent's records associated with the filing and service of the aforementioned affidavit filed in respect of the previous proceeding (Additional Materials).

[18] Affidavits filed in other proceedings are acceptable when doing so is justified [see for example *Beachcombers Restaurant Ltd. v. Vita-Park Citrus Products Co.* (1976), 26 C.P.R. (2d) 282 (T.M.O.B.)] and *Springwall Sleep Products Ltd v. Ther-a-Pedic Associates, Inc* (1984), 79 CPR (2d) 227 (TMOB) (*Springwall*)]. Among the factors that may be considered in determining the admissibility and weight of such evidence are: (a) whether or not the parties to the proceedings are the same; (b) whether or not the trademark applied for is the same in both proceedings; (c) the availability of the affiant

for cross-examination; and (d) whether or not all, or most, of the issues in both proceedings are the same (*Springwall* at para 5).

First Yoganathan Affidavit and Transcript

[19] During cross-examination of Mr. Yoganathan in respect of his Second affidavit, he confirmed that the First Yoganathan affidavit was indeed the affidavit which was filed on his behalf in respect of the earlier proceeding. However, I note there were objections by the Applicant's agent of record, as well as Mr. Yoganathan himself, regarding the introduction of the affidavit and associated transcript [see for example Yoganathan transcript, Qs 42 to 74].

[20] The Opponent argues that the evidence of record originating from the earlier proceeding between the parties is admissible, relying on *Les Marques Metro/Metro Brands S.E.N.C v 1161396 Ontario Inc* 2015 TMOB 227 (*Les Marques Metro*). The Opponent argues that Mr. Yoganathan had the opportunity to review and contest the First Yoganathan affidavit prior to filing the Second Yoganathan affidavit. The Opponent also submits that the issues are the same for both proceedings, involving the legality of the Applicant's use of the Mark, unlicensed use and bad faith conduct

[21] The Applicant objects to the inclusion of the evidence originating from the prior proceeding. It argues the grounds of opposition differ, as do the facts of the case. The Applicant submits that previously the issue of confusion was central, whereas in the present case the grounds are restricted to section 30 and non-distinctiveness. It relies on the decision *Continental Tire Canada, Inc v Compagnie Générale des Établissements Michelin-Michelin et Cie* (2007), 59 CPR(4th) 102 at para 12 in support of the argument that the evidence should not be admitted. The Applicant also submits that the earlier evidence is unnecessary in light of the Second Yoganathan affidavit and Transcript. The Applicant also argues that *Les Marques Metro* is distinguishable because it deals with affidavits only, not transcripts.

[22] The evidence comprising the First Yoganathan affidavit addresses most of the factors noted above. The parties are the same and in both cases Mr. Yoganathan's evidence involves primarily use of the Mark. Since the present case does not involve a

consideration of the likelihood of confusion, I do not consider the criterion involving whether the trademarks are the same to be as relevant as it otherwise might be. The question of availability for cross-examination of Mr. Yoganathan, is partially addressed by the Applicant's opportunity to refute the evidence through filing its own evidence [see *Reliant Web Hostings Inc v Tensing Holding BV*, 2012 TMOB 48, 106 CPR (4th) 294 at para 35 and *Zillow Inc v HomeZilla Inc*, 2014 TMOB 131]. I note the Applicant did this to some extent, having now added information pertaining to licensing of the Mark to Thamor [see for example, Second Yoganathan affidavit, paras 4, 7 and 22]. However, I also recognize that there might be some scope for Mr. Yoganathan's First affidavit and the associated transcript to be taken out of context. Also, there were refusals surrounding the entry of these materials as exhibits. While I accept this evidence in respect of the issue of use of the Mark by the Applicant, I will attribute it less weight than the Second Yoganathan affidavit. The Second Yoganathan affidavit contains essentially the same evidence as the first, with the addition of several statements regarding licensing. I will therefore focus on the Second Yoganathan affidavit and Transcript for the purpose of this decision.

[23] In respect of the submission that transcripts should be treated differently than an affidavit, I note the Applicant did not provide rationale or jurisprudential support for this request. I see no basis for making such a distinction. Both forms of evidence are part of Mr. Yoganathan's testimony and may be read together to the extent this evidence is admissible. . That said, I do not find the contents of the first Yoganathan Transcript to have any bearing on the present proceeding.

First Gregory Affidavit

[24] The Second Gregory affidavit essentially incorporates the First Gregory affidavit. Again, applying the factors from *Springwall*, Mr. Gregory was available to the Applicant for cross-examination. In terms of the issues at hand, the Applicant's use of the Mark is common to both proceedings. There is no indication that Mr. Gregory's evidence originating from the prior proceeding cannot be relied upon for the truth of its contents or that it has been taken out of context. He has confirmed his identity and the contents of the affidavit in his second affidavit. In addition, I note that less than a year elapsed

between the filing of his first and second affidavits. I therefore find this evidence admissible and attribute it weight.

Additional Materials

[25] I will disregard the Additional Materials as I see no basis for admitting these, and in any case, they are not relevant to matters at hand.

LEGAL ONUS AND EVIDENTIAL BURDEN

[26] The Applicant bears the legal onus of establishing, on a balance of probabilities, that the Application complies with the requirements of the Act. This means that if a determinate conclusion cannot be reached in favour of the Applicant after a consideration of all the evidence, then the issue must be decided against the Applicant. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [*John Labatt Limited v The Molson Companies Limited* (1990), 1990 CanLII 11059 (FC), 30 CPR (3d) 293 (FCTD) at 298].

ANALYSIS OF THE GROUNDS OF OPPOSITION

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

Section 30(b) Grounds of Opposition Generally

[28] An opponent's evidential burden respecting the issue of an applicant's non-compliance with section 30(b) of the Act is generally a light one and can be met by reference not only to its own evidence but to that of the applicant [*Labatt Brewing Co Ltd v Molson Breweries, A Partnership* (1996), 68 CPR (3d) 216 (FCTD) at 230; *Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd*, 2014 FC 323 at paras 33-38]. To succeed in meeting its burden, an opponent must show that the evidence raises doubt as to the veracity of the claims in the application [*Corporativo de Marcas, supra; Reitmans (Canada) Limited v Atlantic Engraving Ltd*, 2005 CanLII 78234

(TMOB)]. Once an opponent meets its evidential burden, the legal burden is on the Applicant to prove its conformance with these sections of the Act.

[29] The Opponent essentially pleads three section 30(b) grounds of opposition:

- There was no use of the Mark as of the date claimed because the Applicant did not exist
- There was no use of the Mark as of the date claimed because the Applicant wasn't legally authorized to use the Mark
- There was no use of the Mark by the Applicant because any use shown was actually by Thamor, a third party.

No Use of the Mark -Applicant Did Not Exist

[30] The pleading in respect of this ground is:

Pursuant to subsection 38(2)(a), the Application does not conform to subsection 30(b). The Applicant Remitbee Incorporated Inc. did not exist both at the date of filing of the Application and at the date of first use of the Opposed Mark claimed in the Application, and therefore could not have used the Opposed Mark at that date. The Opponent pleads this ground of opposition without prejudice to its rights to challenge the Applicant on other grounds of opposition. In so pleading other grounds, the Opponent does not admit to nor recognize the Applicant's existence.

[31] This ground involves the Applicant's name, which initially appeared as Remitbee Incorporated Inc. The Registrar permitted the correction of the Applicant's name to Remitbee Incorporated on May 29, 2019. I note, upon referencing that correction, the Opponent advised it would not make submissions in respect of this and the associated 30(i) ground also relying on non-existence of the Applicant. As there is no argument or evidence of record to support this claim, I find that the Opponent has not met its initial burden and dismiss this ground.

Third Party Use and Use by the Applicant

[32] The Opponent has pleaded at paragraph 6(c) of its statement of opposition that the application does not conform to section 30(b) because:

Pursuant to subsection 38(2)(a), the Application does not conform to subsection 30(b). The Application does not conform to subsection 30(b) because the Applicant has not used the Opposed Mark in Canada in association with Opposed Services since the claimed date of April 14, 2015. Use, if any, which is denied, of the Opposed Mark in association with the Opposed Services has not been by the Applicant. Such use, if any, has been by an unlicensed third party, Thamor Trading Corporation.

Is Thamor Licenced to use the Mark?

[33] While much of the Applicant's evidence, discussed in greater detail below, associates the Mark with the Applicant, advertising in the form of a flyer at Exhibit PY-1 describes the Services as "Remitbee by Thamor". At paragraph 12 of his affidavit, Mr. Yoganathan's states this flyer was distributed in Canada from around March 14, 2015, to around December 1, 2015. He alleges that the Services have therefore been offered since April 14, 2015.

[34] I note that in the prior proceeding, while there was more limited evidence relating to the relationship between the Applicant and Thamor, the Registrar held that use by Thamor did not enure to the Applicant [*Remitbee* at para 58]. Mr. Yoganathan now attests to the existence of a license [Second Yoganathan affidavit, para 22].

[35] Section 50(1) of the Act contemplates that use by a licensee may enure to the owner, provided the licensor controls the character or quality of the goods or services. There are three means by which an owner can demonstrate the requisite control. The first is by clearly attesting to the fact that it exerts such control. The second method is by relying on evidence that demonstrates the necessary control. The third means is by providing a copy of a license agreement that explicitly provides for the required control [*Empresa Cubana del Tabaco v Shapiro Cohen*, 2011 FC 102].

[36] The Opponent submits that there is no evidence of a written license, relying on the fact that when asked during cross-examination the response was a refusal or that "the affidavit speaks for itself" [Yoganathan Transcript Qs 270, 272 to 279]. The Opponent also argued there was no statement or evidence of control by the Applicant over the character or quality of the Services [Opponent's written representations, para 213]

[37] I agree that there is no written licence agreement in evidence that might support the claim that use by Thamor enures to the Applicant. Also, the Second Yoganathan affidavit does not contain a statement of control over the character or quality of the services. Additionally, the Applicant's evidence also does not include facts or materials which show the necessary control.

[38] The evidence does not speak for itself, but rather is silent on the details of the alleged license arrangement. The Opponent asked questions involving the arrangement between the Applicant and Thamor which, if answered, might have shed light on the issue of control over the quality or character of the Services. Yet the Applicant's agent, and at times Mr. Yoganathan himself, refused or objected to these questions [see for example Yoganathan Transcript, Qs 263 and 264, 445,451,453]. Mr. Yoganathan's refusal to answer questions properly put to him regarding the Applicant's licensing arrangement with Thamor justifies the adverse inference that the Applicant did not control the character or quality of the services.

[39] I note that even if use by Thamor had enured to the Applicant, the evidence does not support use by that entity, since there is no evidence to whom the materials were distributed or who otherwise accessed this information. If materials bearing a mark are to constitute advertising, they must be distributed [*Cornerstone Securities Canada Inc v Canada (Registrar of Trade Marks)* (1994), 58 CPR (3d) 417 (FCTD) (*Cornerstone*)].

Was Thamor a licensee owing to shared management with the Applicant?

[40] I note that in respect of the earlier proceeding involving these parties, the Registrar recognized that a corporate relationship, in which the president or director of one of the related entities also held the role for the other entity, could result in an inference that the requisite control existed relying on *Lindy v Canada (Registrar of Trade Marks)* (1999), 241 N.R. 362 (Fed CA) and *Phillips, Friedman, Kotler v Freed's of Morden Ltd*, 2000 CarswellNat 4003 (TMOB). However, the Registrar found that there was no proof such a relationship existed [*Remitbee* at paras 56 to 58].

[41] The Applicant now argues that such a relationship exists, relying on statements contained in Mr. Yoganathan's affidavit (written representations, page 20). I note Mr. Yoganathan attests to being a director of the Applicant, as well as Thamor [Second Yoganathan affidavit, para 4]. When asked during cross-examination, Mr. Yoganathan confirmed he had always been a director of Thamor [Yoganathan Transcript, Qs 230 to 232 and 238]. However, also during cross-examination, the Applicant refused or objected to questions involving the executive composition of the Applicant and Thamor [see for example, Yoganathan Transcript Qs ...239 to 243, 246 to 256, 571 to 575, 587,588,592, 597]. These were relevant questions and should have been answered. This is particularly so in light of the Opponent's contradictory evidence that Mr. Yoganathan is not listed as a Director of Thamor [Allen affidavit, para 8 and Exhibit KA-3]. I therefore find that the Applicant has not provided sufficient evidence to show that Mr. Yoganathan held a corporate position with Thamor that permitted his control of that company. Therefore, any use of the Mark by Thamor does not enure to the benefit of the Applicant by virtue of common ownership.

Use by the Applicant

Was the Mark Used on or Before the Claimed Date of First Use?

[42] This ground also calls into question use of the Mark by the Applicant generally, rather than under license, by virtue of the inclusion in the pleading of "use, if any, which is denied...". I will therefore assess whether there was evidence of use of the Mark by the Applicant, aside from any use by Thamor, sufficient to support its claim to use since the material date of July 28, 2017.

[43] Mr. Yoganathan relies on the following materials to support the Applicant's claim to use of the Mark:

- Exhibit PY-1 is a flyer, discussed above, which he states was distributed in Canada from around March 14, 2015, to around December 1, 2015, allegedly evidencing that the Services have been offered since April 14, 2015.

- Exhibit PY-2 includes the following documents which he states show the use of the Mark in association with the Services since at least as early as April 2015:
 - Copies of transaction records evidencing the Canadian sales of the Applicant's Services in relation to the Mark, the earliest dated April 29, 2015.
 - A report from support@crashlytics.com dated May 2, 2015, showing statistics of the usage of REMITBEE software as a service.
 - Website materials showing the REMITBEE app available for download through the iTunes store showing a last update of August 19, 2016; and
 - Website materials showing the REMITBEE app available for download through the Google Play store, dated September 15, 2017.
- Exhibit PY-3 comprises the results of searches of the Applicant's website at www.remitbee.com using the WayBack Machine, allegedly showing that the Services were used and provided on the website since at least as early as April 2015.
- Exhibit PY-4 comprises advertisements bearing the Mark allegedly continuously used from around March 2015 to the date of his affidavit, namely September 18, 2017;and
- Exhibit PY-5 is as "an article from a newspaper" published on July 31, 2015, listing the Applicant among companies identified "in the race to be the earliest to invest in" and describing the Applicant's Services as being "a cross currency money transfer service".

[44] The Registrar, in the previous proceeding, highlighted a number of issues with this evidence. More particularly, at paragraphs 43 to 50 of the *Remitbee* decision, my fellow Board Member Ms. Folz found as follows in respect of this evidence:

- For materials bearing the Mark to constitute advertising, these must be distributed [*Cornerstone*]. In respect of the materials contained in Exhibits PY-1 and PY-4, no information had been provided showing who accessed the materials, or to whom they have been distributed. Also, it is not possible to infer if, or when, consumers saw such advertisements.
- Even if \$15,000 per year was spent on advertising as claimed [Second Yoganathan affidavit, para 18], no information has been provided about the frequency or extent of advertising through various media viewed by Canadians.
- While statements as to use of the Mark since at least as early as April 2015 are found in the affidavit, the materials in Exhibit PY-2 do not substantiate use as of the claimed date of first use. For example, the materials corresponding to the iTunes app shows it was last updated August 19, 2016, and the evidence itself is dated September 15, 2017. The Google play app materials are similarly dated September 15, 2017.
- Evidence relating to the Applicant's website at Exhibit PY-3 might show the site existed, however the Applicant failed to provide information as to whether Canadians had accessed the site on or before the material date. The same is true of the report taken from crashlytics.com, currently at Exhibit PY-2 .
- In respect of the crashlytics.com report, purportedly showing the number of active users of the Services and sessions of use, Mr. Yoganathan does not link such use to what customers saw when they accessed the site on or before April 14, 2015.

[45] I would additionally note that the transaction information at Exhibit PY-2 does not include information as to the manner of use of the Mark when consumers accessed the Services. I see no reason to find otherwise than my fellow Board member did and conclude that this evidence falls short of establishing that the Applicant offered its Services in Canada as of the claimed date of first use.

[46] Consequently, I conclude that in respect of this ground of opposition the Opponent has met its initial burden and the Applicant has not filed sufficient evidence to

meet its legal burden of proving use, either by itself or through another properly licensed entity, on or before the material date. This section 30(b) ground therefore succeeds.

Section 30(b) Non-registration as an MSB

[47] In respect of this ground the Opponent pleads:

Pursuant to subsection 38(2)(a), the Application does not conform to subsection 30(b). The Application does not conform to subsection 30(b) because the Applicant has not used the Opposed Mark in Canada in association with Opposed Services since the claimed date of April 14, 2015. Use, if any, which is denied, that the Applicant may have made of the Opposed Mark in association with the Opposed Services has been in association with services which the Applicant has never been legally authorized to perform.

The core activity of the Opposed Services is money transfer services. Sections 5(h) of the Proceeds of Crime (Money Laundering)- 4 -and Terrorist Financing Act (S.C. 2000, c.17) requires that every entity engaged in Canada in the business of foreign exchange dealing, of remitting funds or transmitting funds by any means or through any person, entity or electronic funds transfer network, or of issuing or redeeming money orders, traveller's cheques or other similar negotiable instruments except for cheques payable to a named person or entity, must be registered as a Money Services Business ("MSB") with the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC").

The Applicant was not registered as an MSB with FINTRAC on April 14, 2015, and has not been registered as an MSB with FINTRAC at any time after April 14, 2015.

[48] This is the first of several grounds premised on the allegation that since the Applicant was not registered with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), as a Money Services Business (MSB), as required pursuant to the *Proceeds of Crime (Money Laundering)- 4 -and Terrorist Financing Act* (S.C. 2000, c.17) (*Money Laundering Act*), any use of the Mark was unlawful.

[49] Contravention of a Federal statute is a recognized support for a 30(i) ground, and properly considered under that provision of the Act. As this ground is merely repetitive of the similar section 30(i) ground raised by the Opponent, I will assess this issue under the section 30(i) grounds below.

Section 30(i) – Generally

The Opponent essentially pleads the following five basis for its section 30(i) ground of opposition:

- The Applicant did not exist
- The Applicant was not registered as an MSB and therefore not legally entitled to use the Mark.
- The Applicant acted in bad faith in not having registered as an MSB
- The Applicant was aware of the Opponent's use outside Canada and communicated with the Opponent for various purposes
- The Applicant created an on-line account with the Opponent with the purpose of reviewing the Opponent's services and adopting similar services in Canada.

[50] Section 30(i) of the Act requires an applicant to state in the application that it is satisfied of its entitled to use the trademark in Canada. Where an applicant has provided the required statement, the jurisprudence suggests that non-compliance with section 30(i) of the Act can be found only where there are exceptional circumstances that render the applicant's statement untrue, such as evidence of bad faith or non-compliance with a Federal statute [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155; and *McDonald's Corporation and McDonald's Restaurants of Canada Limited v Hi-Star Franchise Systems, Inc*, 2020 TMOB 111, 178 CPR (4th) 179 at para 27].

Applicant Did Not Exist

[51] In respect of the ground alleging the Applicant did not exist, the Opponent pleads:

Pursuant to subsection 38(2)(a), the Application does not conform to subsection 30(i), because the Applicant could not have been satisfied, at the date of filing of the Application, or at any other time, that it was entitled to use the Opposed Mark in Canada in association with the Opposed Services. The Applicant Remitbee Incorporated Inc. did not exist at any time, and therefore could not have been satisfied that it was entitled to use the Opposed Mark in Canada.

[52] This ground is duplicative of the section 30(b) ground relying on the same allegation that has been considered above. This ground of opposition fails for the same reason the parallel 30(b) ground did. The Applicant corrected the error in its name and the Opponent was thereafter not able to meet its initial evidential burden as there is no evidence to support the claim that the Applicant did not exist.

Legal Entitlement to Use

[53] In respect of the ground alleging that the Applicant's use was not legal use the Opponent pleads:

Pursuant to subsection 38(2)(a), the Application does not conform to subsection 30(i), because the Applicant could not have been satisfied, at the date of filing of the Application, or at any other time, that it was entitled to use the Opposed Mark in Canada in association with the Opposed Services. The Applicant is not entitled to perform the Opposed Services in Canada because, at all relevant times, the Applicant, if it existed, was not registered as an MSB with FINTRAC.

[54] While the Opponent has not specifically alleged non-compliance with a federal statute in respect of this ground, the pleadings, read in conjunction with the evidence, suggests this is what was intended. I note that the Applicant's written representations suggest that it understands that the Opponent's allegation is that the Applicant contravened Sections 5(h) of the *Money Laundering Act* which required MSBs to register with FINTRAC [Applicant's written representations, page 14].

[55] Jurisprudence suggests that non-compliance with a Federal statute is an exceptional circumstances that may support a claim to non-compliance with section 30(i). The rationale behind this is the general principle that the Registrar cannot condone the registration of a mark if the applicant's use of the mark would violate Federal legislation [*Interactiv Design Pty Ltd. v Grafton-Fraser Inc.* (1998), 87 CPR (3d) 537 (TMOB) at 542-543; *Bojangles' International, LLC v Bojangles Café*, 2004 CanLII 71764 (TMOB)]. However, to succeed, an Opponent must establish a case of *prima facie* non-compliance [see, for example, *Interprovincial Lottery Corp v Monetary Capital Corp* (2006), 51 CPR (4th) 447 (TMOB) and *Canadian Bankers' Assn v Richmond Savings Credit Union* (2000), 8 CPR (4th) 267 (TMOB)].

[56] The Applicant argues, at pages 15 and 16 of its written representations, that the grounds relying on contravention of the *Money Laundering Act* are improperly pleaded and should be disregarded. The Applicant relies on the findings in *Orbitel Servicios Internacionales SA ESP (Orbitel)* 2018 TMOB 84 to argue that because the Opponent did not refer to specific and correct provisions of the *Money Laundering Act*, it has not established a *prima facie* case of non-compliance with this Act. In *Orbitel*, the Registrar rejected a similar 30(i) ground finding the Opponent did not meet its initial burden owing to its failure to specify an exact provision of the *Telecommunications Act* that it alleged the applicant violated.

[57] I agree that the mere reference to a requirement to register with FINTRAC as an MSB, and reference to section 5(h) is not sufficient to establish a *prima facie* case of non-compliance with a Federal statute. As argued by the Applicant, this section of the *Money Laundering Act* merely indicates the entities to whom the Act applies. Furthermore, even if other provisions of the Money Laundering Act were indicated, I note that the Services are not remittance of funds *per se*, but rather software as a service that relates to electronic transfer of funds. Therefore, it is difficult to see how offering the Services specified in the application, could constitute a *prima facie* contravention of the *Money Laundering Act*.

Bad Faith – Failure to Register as an MSB

[58] Another exceptional circumstance that may successfully support an allegation of non-compliance with section 30(i) involves bad faith which renders an applicant's statement, that it is satisfied of its entitlement to use the applied-for mark, untrue [*Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155].

[59] In respect of this ground the Opponent pleads:

Pursuant to subsection 38(2)(a), the Application does not conform to subsection 30(i), because the Applicant, if it existed, acted in bad faith and, as such, could not have been satisfied, at the date of filing of the Application, or at any other time, that it was entitled to use the Opposed Mark in Canada in association with the Opposed Services

The Applicant, if it existed, was aware, or should have been aware, at all relevant times, of the requirement to register as an MSB with FINTRAC in order to perform the Opposed Services in Canada, and the Applicant was not so registered.

[60] The main thrust of the Opponent's argument is that the Applicant was familiar with the FINTRAC requirements applicable to MSBs so it could not, in good faith, be satisfied of its entitlement to use the Mark [Opponent's written representations, para 307].

[61] A few recent cases offer guidance in respect of what constitutes bad faith. In *Blossman Gas Inc v Alliance Autopropane Inc*, 2022 FC 1794 at para 121 (*Blossman*) the Court notes that bad faith must be interpreted in context and that it need not include an assessment of morality or intentional fault but might be economic. The Court went on to explain that issues such as awareness of prior rights and the intention to harm a prior user's business are relevant but cautioned that wilful blindness or a failure to inquire into a competitor's rights is insufficient to constitute bad faith. The Court went on to provide examples such as coat tailing on the reputation of well-known marks by applying to register these, or distributors, licensees or agents improperly asserting rights.

[62] I note these examples all involve commercial interests and circumstances where one party's actions are inconsistent with honest practices, to the detriment of another. They involve the misappropriation of trademark rights, rather than bad faith actions in isolation. I also note none of the circumstances considered by the Court contemplate contravention of legislation entirely unrelated to the Act.

[63] In *Beijing Judian Restaurant Co Ltd v Meng* 2022 FC 743 (*Beijing Judian*), the Court relied on the Legislative Summary Publication No. 42-1-C86-E to derive an understanding of bad faith, now codified in the new Act, noting:

The purpose of s. 18(1)(e), along with its corresponding opposition ground, was described in the Legislative Summary Publication No 42-1-C86-E, 14 December 2018, at section 2.5.7.2, Subdivision B: Amendments to the Trade-marks Act as aiming to "hinder the registration of a trade-mark for the sole purpose of extracting value from preventing others from using it."

Similar comments were made during the final reading of Bill C-86, where the proposed amendments to the TMA were described at the time as seeking to "prevent the abusive

use of the trademark regime, such as by applying for registration with the sole intention of seeking remuneration from the legitimate owner of the trademark” (Bill C-86, 3rd reading, House of Commons Debates, 42-1, No 361 (29 November 2018) at 1155 (Hon Dan Ruimy)).

[64] The Court then considered UK and EU law noting at paragraph 35 that bad faith is not limited to dishonest conduct but may include dealings that fall short of what is considered by reasonable people as acceptable commercial behaviour. Additionally, the Court recognized that the subjective intention of the applicant at the time of filing was a relevant consideration.

[65] While the current matter must be considered under the former Act, with bad faith falling under section 30(i), I nonetheless find the assessment of bad faith by the Court in *Blossman* and *Beijing Judian* helpful. In addition, I note that the principles discussed in *Beijing Judian*, decided under the new provisions of the Act, have been applied by the Court in another decision involving section 30(i) [see *Spirit Bear Coffee Company Inc. v Kitasoo First Nation* 2023 FC 1185]. I therefore understand the findings in *Beijing Judian* to be equally applicable to matters under the old and new Acts.

[66] There is no evidence to suggest that the Applicant’s alleged failure to register with FINTRAC, or its efforts to register its Mark while allegedly not registered with FINTRAC, are dishonest, contrary to honest business practices or harm the business of another. Nothing in the record leads me to conclude that, on the filing date of the Application, the Applicant acted in bad faith in declaring that it was satisfied that it was entitled to use the Mark in association with the Services regardless of its registration status with FINTRAC. I therefore find that the Opponent has failed to meet its initial evidential burden of proving bad faith on the part of the Applicant based on its failure to register with FINTRAC.

Bad Faith - Awareness of Opponent’s Use in the US and Various Communications with the Opponent

[67] In respect of this section 30(i) ground involving bad faith the Opponent pleads:

Pursuant to subsection 38(2)(a), the Application does not conform to subsection 30(i), because the Applicant, if it existed, acted in bad faith and, as such, could not have been

satisfied, at the date of filing of the Application, or at any other time, that it was entitled to use the Opposed Mark in Canada in association with the Opposed Services.

The Applicant, if it existed, was aware of the Opponent and the Opponent's use of the mark REMITLY and names containing the word REMITLY in the United States and elsewhere before April 14, 2015, the claimed date of first use of the Opposed Mark and the incorporation date of the Applicant. After the Opponent started to use its mark REMITLY in Canada in 2016, the Applicant, if it existed, contacted the Opponent to discuss "an important business matter related to infringement of our trade name Remitbee in Canada".

The Applicant, if it existed, then initiated a number of purportedly third-party contacts to the Opponent alleging confusion between the Opponent's mark and the Opposed Mark

[68] The consideration of bad faith therefore involves the following:

- Did the Applicant act in bad faith by indicating it was satisfied it was entitled to use the Mark at the time of filing in light of the Opponent's use of its REMITLY outside of Canada?
- Did Applicant act in bad faith by indicating it was satisfied it was entitled to use the Mark at the time of filing in light of its efforts to discuss its prior rights with the Opponent?
- Did Applicant act in bad faith by indicating at the time of filing that it was satisfied it was entitled to use the Mark in light of the false allegations of confusion, and was this consistent with a pattern of behaviour that supports a claim of bad faith?

Knowledge of Use of a Similar Trademark Outside of Canada

[69] The Opponent relies on the Gregory affidavit which establishes extensive use in the United States by the Opponent of its REMITLY trademark [First Gregory affidavit, para 26]. I note that the Opponent concedes that by the time the Opponent expanded operations into Canada the Applicant had "some use" of the Mark [Opponent's written representations, para 337].

[70] The Applicant argues that the Opponent portrays the Applicant as attempting to illegitimately benefit off the Opponent's foreign success and notoriety by appropriating a

similar trademark in Canada. In support of its claim to having an early interest in the Mark, the Applicant points to registration of the remitbee.com domain name in November 2014 (Yoganathan affidavit para 25 and Exhibit PY-9). While denying its adoption of the Mark was related to the Opponent's use of a similar trademark in the US, the Applicant relies on *Bousquet v Barmish Inc* (1991), 37 CPR(3d) 516 (FCTD), affirmed (1993), 46 CPR(3d) 510 (FCA) in support of the principle that adoption of a foreign trademark is permissible unless there was previous use or making known of the trademark in Canada or the trademark was not distinctive.

[71] I agree with the Applicant. Section 30(i) does not prohibit an applicant from stating it was satisfied of entitlement to use a trademark which it knows has been used elsewhere [*Taverniti SARL v DGGM Bitton Holdings Inc* (1986), 8 CPR(3d) 400 TMOB]. As recognized by the Court in *Beijing Judian* at paragraph 42, there may be a legitimate basis to obtain a registered trademark in Canada for the same trademark registered and used abroad, where no reputation of that trademark exists in Canada. I therefore find in respect of this aspect of the Opponent's bad faith allegation, that it has not met its initial burden.

Efforts to Discuss Prior Rights

[72] The Opponent points to communications from the Applicant that include a demand letter sent to the Opponent shortly after the Opponent entered the Canadian market. This, the Opponent argues, is proof that the Applicant's goal was to seek payment from the Opponent to "make the problem go away" [First Gregory affidavit, para 96, Exhibit AG-27 and Opponent's written representations para 342].

[73] The Applicant has not made written submissions in respect of this allegation.

[74] I find that the Opponent falls short of establishing that the Applicant's enforcement efforts, however misguided in terms of the reference to infringement, were something other than an effort to protect its interests in the Mark. Interpreted in context, efforts to prevent the Opponent from offering similar services in Canada were not unreasonable and cannot be presumed to have been undertaken purely for the purposes of extortion or harm to the Opponent. I therefore find that in respect of

allegation that the Applicant acted in bad faith in reaching out to the Opponent, I find that Opponent has not met its initial evidential burden.

False Allegations of Confusion and Pattern of Behaviour

[75] The Opponent submits that, beginning in December 2016, the Applicant was responsible for instigating contrived communications to the Opponent, mentioning the Applicant by name, for the purposes of later alleging instances of customer confusion with the Opponent's REMITLY trademark [for example, First Gregory affidavit, paras 118 to 124, 128 to 131 and Opponent's written representations, paras 353 to 394]. It also argues it was the intention of the Applicant to seek to benefit from the contrived confusion and that the circumstances, along with the others noted immediately above, raise serious questions about Applicant's motive in using the Mark. [Opponent's written representations, paras 392 to 394].

[76] An effort by a company to generate materials for the purpose of fraudulently suggesting consumer confusion, is clearly a dishonest business practice. I note that bad faith is not necessarily limited to dishonest conduct but may include "practices that fall short of the standards of acceptable commercial behaviour as observed by reasonable experienced people in the area being examined" [*Beijing Judian* at paras 30-39 and *Spirit Bear Coffee Company Inc. v Kitasoo First Nation* 2023 FC 1185 [*Spirit Bear*]]. As the actions of the Applicant are dishonest and contrary to acceptable commercial behaviour, I find the Opponent has met its initial burden in respect of this ground.

[77] As the Opponent has met its initial burden, I must now assess whether the Applicant has met its legal burden of proving it was satisfied of its entitlement to use the Mark. I note the Applicant has not adduced evidence or made submissions in respect of this ground. Nonetheless I will consider the likely subjective intention of the Applicant at the time of filing, given the evidence at hand [*Spirit Bear* at para 40].

[78] At the time of filing, the Applicant already had, or believed itself to have, superior rights in respect of the Mark vis-à-vis the Opponent. The Opponent acknowledged these rights in its written submissions [Opponent's written submissions, paras 337 and 338]. I find that protection of those rights was likely the significant driving factor in obtaining

registration, as opposed to any potential advantage that might be gained through allegations of customer confusion, considered alone or in conjunction with the other circumstances above. I note confusion is not at issue in this proceeding, nor would it be reasonable for Applicant to have believed it would be given the prior proceeding involving the parties. I therefore conclude that on a balance of probabilities that it was likely the Applicant was satisfied it was entitled to use the Mark in Canada at the time of filing and dismiss this ground of opposition.

Bad-Faith Contravention of the Competition Act

[79] In respect of this ground of Opposition, the Opponent pleads:

Pursuant to subsection 38(2)(a), the Application does not conform to subsection 30(i), because the Applicant, if it existed, acted in bad faith and, as such, could not have been satisfied, at the date of filing of the Application, or at any other time, that it was entitled to use the Opposed Mark in Canada in association with the Opposed Services.

Prior to the Applicant, if it existed, adopting the Opposed Mark in Canada, the Applicant created an online account with the Opponent with the purpose of reviewing the Opponent's services and adopting similar services in Canada. Subsequent to the Applicant's visit to the Opponent's website, the Applicant, if it existed, sent the Opponent a cease and desist letter on the basis the marks are confusing with the intent of engaging in anti-competitive acts contrary to the Competition Act

[80] As there is no argument or evidence of record to support this claim, I find that the Opponent has not met its initial burden and dismiss this ground.

Distinctiveness Ground of Opposition

[81] The Opponent pleads, at paragraph 6(i) of the statement of opposition, that the Mark is not distinctive because it does not distinguish, nor is it adapted to distinguish the Services from those of others, including Thamor.

[82] The material date for this ground of opposition is February 26, 2019, the date the statement of opposition was filed [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185].

[83] To succeed, the Opponent must establish that Thamor was sufficiently known as the source of the Mark such that it negated the distinctiveness of the Mark in the

Applicant's hands [*Motel 6 Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 (FCTD); *Bojangles' International LLC v Bojangles Café Ltd*, 2006 FC 657 (Bojangles)]. Additionally, there must be clear evidence of the extent to which the Mark was known through its use by Thamor [*Bojangles; Sadhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2019 FCA 10].

[84] As noted above, use by Thamor does not enure to the benefit of the Applicant.

Thamor's Reputation

[85] For the Opponent to succeed in respect of this ground it must meet an evidential burden to prove the allegations of fact supporting its non-distinctiveness ground of opposition. According to *Bojangles'* at para 33, the trademark relied upon must be known to some extent and its reputation should be substantial, significant or sufficient.

[86] While I note that the Applicant's flyer announcing the launch of the Services associates the Mark with Thamor, according to Mr. Yoganathan this publication was, at best, distributed in 2015 only [Second Yoganathan affidavit, paragraph 12 and Exhibit PY-1]. Furthermore, there is no indication as to the extent of any distribution. I am not convinced that the limited, if any, use of the Mark in the hands of Thamor resulted in the Mark being known to any extent as of the material date of February 26, 2019. Accordingly, the Opponent has failed to meet its evidential burden in respect of the section 2 ground of opposition and this ground is rejected.

DISPOSITION

[87] 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.

Coleen Morrison
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2023-06-13

APPEARANCES

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