



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2025 TMOB 2

Date of Decision: 2025-01-15

INTERLOCUTORY RULING

Opponent: Scott Sports SA

Applicant: Cycles Argon-19 Inc.

Application: 2050346 for SUM

BACKGROUND

[1] Scott Sports SA (the Opponent) has opposed registration of the trademark SUM (the Trademark), which is the subject of application No. 2050346 by Cycles Argon-19 Inc. (the Applicant).

[2] The opposition is primarily based on the alleged likelihood of confusion between the Trademark and the Opponent's registered trademark SUB, registration No. TMA762,862 (the Opponent's Registered Mark), used in Canada association with "bicycles, bicycle frames and components, namely, shock absorbers, handlebars, saddles and control levers" (the Opponent's Goods).

[3] On November 27, 2024, the Applicant requested an interlocutory ruling to strike certain paragraphs of the Opponent's statement of opposition; the Applicant also requested an extension of time to file its

counter statement. On December 19, 2024, the Opponent responded to the Applicant's request to strike.

PRELIMINARY REMARKS

[4] The sufficiency of a statement of opposition is governed by section 38 of the Act. Section 38(2) of the Act details the grounds upon which an opposition may be based, and section 38(3) of the Act requires the grounds in a statement of opposition be set out in sufficient detail to enable the applicant to reply. The Registrar's power to strike all or part of a statement of opposition is set out in section 38(6) of the Act, as follows:

(6) At the applicant's request, the Registrar may ... strike all or part of the statement of opposition if the statement or part of it

(a) is not based on any of the grounds set out in subsection (2);
or

(b) does not set out a ground of opposition in sufficient detail to enable the applicant to reply to it.

[5] A proper pleading alleges the material facts but not the evidence which the opponent intends to submit to establish those facts [*Pepsico Inc v Registrar of Trade-marks* (1976), 22 CPR (2d) 62 (FCTD)]. Grounds of opposition that have no reasonable prospect of success, or for which there is no arguable case, may be struck [see *Manufacturers Life Insurance Company v British American Tobacco (Brands) Limited*, 2017 FC 436 at paras 57-64].

RULING

[6] The Applicant essentially submits that paragraphs 7 and 9 of the statement of opposition are improperly pleaded in that they do not allege sufficiently detailed material facts to allow the Applicant to reply and, in some cases, that they do not allege facts that support the pleaded ground.

[7] On December 19, 2024, the Opponent responded to the Applicant's request. I note that the Opponent's submissions are fairly generic and therefore not particularly helpful. For example, with respect to the non-distinctiveness ground of opposition, the Opponent submits that:

...the term "from the goods of others" is readily understandable and is the language that is used in section 2 of the *Trademarks Act*. Moreover, the term "including" clearly signifies that the Opponent's goods are included in the general category of "goods of others". This ground of opposition is clearly and sufficiently pleaded to allow the Applicant to respond.

[8] As another example, with respect to the section 38(2)(f) non-entitlement to use ground of opposition in view of section 20 of the Act, the Opponent submits that "the Statement of Opposition provides sufficient details to enable to Applicant to respond".

[9] I will now assess each of the contested paragraphs in turn.

Paragraph 7 of the Statement of Opposition

[10] The Applicant submits that paragraph 7 ought to be struck in its entirety because certain terms in this paragraph (underlined in the excerpt below) are indefinite and subjective, and the Applicant is therefore unable to reply:

7. The Opponent's Mark has been extensively used in Canada by the Opponent, or its predecessor in title as applicable, and/or through its Licensees as applicable, for many years before the Applicant's filing date of September 9, 2020.

[11] It is worthwhile to point out that this paragraph is not a ground of opposition *per se*; rather, the contested paragraph provides context for the grounds of opposition set out at paragraph 9 of the statement of opposition.

[12] I agree that the language of this pleading, including the term "and/or", is to some extent indeterminate. Nevertheless, when read fairly in the

context of the statement of opposition as a whole, it is clear that the Opponent is alleging here that, at various times, the SUB trademark was used by the Opponent, by the Opponent's predecessor, by licensees, or by a combination of those entities; the result being that the trademark has been used since prior to the subject application filing date and that such use enures to the benefit of the Opponent.

[13] I do not consider this paragraph to be insufficient or otherwise improper within the meaning of section 38 of the Act, and the Applicant's request to strike paragraph 7 is therefore denied.

Paragraph 9 of the Statement of Opposition

[14] Paragraph 9 sets out the grounds of opposition on which the Opponent bases its opposition. The Applicant submits that this paragraph ought to be struck in its entirety because each of its subparagraphs comprises one or more defects, as further discussed below.

Paragraph 9(a) – bad faith

[15] In paragraph 9(a), the Opponent pleads that the subject trademark application was filed in bad faith:

Pursuant to paragraph 38(2)(a.1), the Trademark was filed in bad faith, as the Applicant's proposed use and registration of the Trademark is intended to trade upon the significant and valuable reputation and goodwill that the Opponent has developed in connection with the Opponent's Registered Mark. At the filing date of the Application, and at all material times, the Applicant knew of the Opponent's reputation and prior use of the Opponent's Registered Mark, and its decision to file the Application was a bad faith attempt to trade upon the Opponent's reputation and goodwill and sow confusion in the minds of consumers.

[16] The Applicant submits that the Opponent has failed to allege any material facts which could support a finding of bad faith and, therefore, that this ground of opposition ought to be struck. The Opponent's response did not specifically address this ground.

[17] The Act does not define “bad faith”. However, the Federal Court has confirmed that jurisprudence predating the coming into force of section 38(2)(a.1) may be relevant to the assessment of bad faith [see *Blossman Gas Inc v Alliance Autopropene Inc*, 2022 FC 1794 at para 119]. General principles that appear to remain applicable include:

- mere knowledge of another’s trademark does not in and of itself support an allegation of bad faith [*Woot Inc v Woot Restaurants Inc / Les Restaurants Woot Inc*, 2012 TMOB 197];
- that an applicant “ought to have known” of an opponent’s allegedly confusing trademark is not sufficient to support an allegation of bad faith [*Navsun Holdings Ltd v Sadhu Singh Hamdard Trust*, 2015 TMOB 214]; and
- although actual awareness of prior rights and an intention to harm a prior user’s business may be relevant to an assessment of bad faith, mere willful blindness or a failure to inquire into a competitor’s rights is insufficient to constitute bad faith [*Blossman, supra*, at para 121].

[18] It is also worthwhile to highlight recent Federal Court jurisprudence under section 18(1)(e) of the Act which suggests that an applicant’s knowledge of another party’s trademark at the time of filing is alone not sufficient to demonstrate bad faith, even if the trademarks are otherwise found to be confusing [see *Norsteel Building Systems Ltd v Toti Holdings Inc*, 2021 FC 927 at paras 64-75].

[19] Guided by the principles outlined above, and in the absence of submissions from the Opponent, I am inclined to agree with the Applicant’s assertion that the pleading is insufficient. The ground as pleaded contains no material facts to support a conclusion of bad faith, other than the Applicant’s prior knowledge of the Opponent’s mark, which is insufficient. Moreover, the allegations concerning the Applicant’s intent to trade upon Opponent’s

goodwill and sow confusion are speculative and conclusory, lacking the factual basis for any such conclusion. The remainder of the statement of opposition likewise provides no factual basis that, if proven, would support the Opponent's allegations.

[20] Ultimately, I find that the pleading does not set out the ground of opposition in sufficient detail to allow the Applicant to reply thereto. Consequently, paragraph 9(a) is struck.

Paragraph 9(b) – non-registrability

[21] In paragraph 9(b), the Opponent pleads that the Trademark is not registrable, in that, pursuant to section 12(1)(d) of the Act and in view of the allegation of likely confusion between the Trademark and the Opponent's Registered Mark, specifically identified elsewhere in the statement of opposition.

[22] The Applicant submits that this paragraph ought to be struck because it consists of a legal conclusion and merely reproduces the wording of the Act rather than providing specific material facts.

[23] The material facts required to support a ground of opposition relying on section 12(1)(d) of the Act are few. In this case, the Opponent alleges confusion and has clearly identified the registered trademark on which it relies. I am satisfied that this ground has been pleaded in sufficient detail so as to allow the Applicant to reply.

[24] The Applicant's request to strike paragraph 9(b) is denied.

Paragraph 9(c) – non-entitlement to register

[25] In paragraph 9(c), the Opponent pleads that the Applicant is not the person entitled to the registration of the Trademark, pursuant to paragraph 16(1)(a) of the Act and in view of the allegation of likely

confusion between the Trademark and the Opponent's Registered Mark, previously used or made known in Canada, and not abandoned as of the day on which the subject application was advertised.

[26] The Applicant submits that aside from statement that the Opponent's mark had been used or made known prior to the subject application's filing date, and was not abandoned as of the advertisement date, this paragraph is a "[TRANSLATION] mere reproduction of the Act and consists only of a legal conclusion". The Applicant further submits that "[TRANSLATION] no specific material fact pertaining to the Applicant has been set out in support of this ground". The Applicant submits that it is therefore unable to respond to the pleading and requests that the entire paragraph be struck.

[27] The ground of opposition as pleaded contains, in my view, sufficient material facts to allow the Applicant to understand and respond to the case against it. In particular, the Opponent identifies the trademark on which it relies, namely its trademark SUB. The Opponent also alleges that the SUB mark was previously used or made known in Canada in association with the Opponent's Goods, and was not abandoned. I note that paragraph 7 of the statement of opposition provides additional details regarding the Opponent's prior use of its trademark.

[28] The Applicant's request to strike paragraph 9(c) is denied.

Paragraph 9(d) – non-distinctiveness

[29] In paragraph 9(d), the Opponent pleads that the applied-for mark is not distinctive within the meaning of section 2 of the Act.

[30] The Applicant submits that this paragraph is insufficiently pleaded because it references the goods of others without specifically identifying those third-party goods. The Opponent responds that the term "the goods of

others” is readily understandable and corresponds to the language of the Act.

[31] It is worthwhile to note that, in many cases, merely reproducing the wording of the Act does not provide sufficient detail in a ground of opposition to enable an applicant to reply. In my view, that is the case here. The ground as pleaded does not identify any specific trader or goods (other than the Opponent and its goods), and could therefore include any trader. Such an allegation is too broad to allow the Applicant to respond.

[32] The ground of opposition at paragraph 9(d) will therefore be amended to strike the terms “the goods of others, including”, as shown in strikethrough below:

Pursuant to paragraph 38(2)(d), the Trademark is not distinctive within the meaning of section 2, in that the Trademark does not actually distinguish the Applicant’s Goods from ~~the goods of others, including~~ those of the Opponent, nor is the Trademark adapted so as to distinguish the Applicant’s Goods from ~~the goods of others, including~~ those of the Opponent.

By reason of the Opponent’s Mark that has been previously used in Canada, the Trademark cannot serve to distinguish the Applicant’s Goods.

[33] I find the remainder of the paragraph to be sufficiently pleaded, and the Applicant’s request to strike the entirety of this paragraph is therefore denied.

Paragraph 9(e) – non-entitlement to use

[34] In paragraph 9(e), the Opponent pleads non-entitlement to use grounds of opposition under section 38(2)(f) of the Act. The contested paragraph reads as follows:

Pursuant to paragraph 38(2)(f), at the filing date of the Application, namely September 9, 2020, the Applicant was not entitled to use the Trademark in Canada in association with the goods listed in the Application, since

i. Contrary to subsection 7(b), any such use would amount to the Applicant directing public attention to its goods, services or business in such a way as to cause or be likely to cause confusion in Canada, at the time it commenced so to direct attention to them, between its goods, services or business and the goods, services or business of the Opponent, in particular by causing confusion with the Opponent's Registered Mark.

ii. Contrary to sections 19 and 20, any such use would be likely to cause confusion in the marketplace with the Opponent's Registered Mark;

iii. Contrary to section 22, any such use would be likely to have the effect of depreciating the value of the goodwill attaching to the Opponent's Registered Mark.

[35] The Applicant essentially submits that the grounds as pleaded are not sufficiently detailed to enable the Applicant to reply. The Opponent essentially responds that the statement of opposition provides sufficient detail for the Applicant to respond.

[36] I will now assess each of the grounds, beginning with the ground set out at paragraph 9(e)(ii) of the statement of opposition.

Use contrary to sections 19 and 20 of the Act

[37] Section 38(2)(f) of the Act, which addresses an applicant's lawful entitlement to use the applied-for trademark, is a provision similar to section 30(i) of the Act as it read prior to the amendments of June 17, 2019. As is often the case, the jurisprudence under section 30(i) is instructive in assessing the Opponent's pleading here.

[38] Under section 30(i) of the Old Act, grounds of opposition alleging use contrary to sections 19 and/or 20 were considered duplicative and improper [see *Standard Products Inc v TRUMPF GmbH + Co KG*, 2015 TMOB 199 at paras 10-11] and were regularly struck at the pleadings stage. Similarly, in the present case, I consider paragraph 9(e)(ii) to be duplicative of other

grounds of opposition in the statement of opposition which are based on an alleged likelihood of confusion – such as those under sections 2, 12(1)(d) and 16 – and paragraph 9(e)(ii) does not contain any additional material facts sufficient to constitute a separate ground of opposition [for a similar approach, see *Industria de Diseño Textil, SA and Zara Natural Stones Inc*, 2022 TMOB 241 at para 155; and *Kentwood Floors Inc v Kentwood Homes Ltd*, 2022 TMOB 204 at para 62].

[39] In light of the above, paragraph 9(e)(ii) of the statement of opposition is struck.

[40] Before proceeding, I would also note that, contrary to section 20 of the Act which is broader in scope, section 19 pertains to infringement claims concerning use of a mark that is identical to the registered trademark relied-upon [see *Sadhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2019 FCA 295; and *Sadhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2021 FC 602]. The Opponent here relies on a trademark that is not identical. As such, even assuming the truth of all of the allegations of fact, I do not find that the portion of this ground relying on section 19 of the Act would result in an arguable case [see *Manufacturers Life Insurance Company v British American Tobacco (Brands) Limited*, 2017 FC 436].

Use contrary to section 7(b) of the Act

[41] Section 7(b) of the Act is considered to be the statutory expression of the tort of passing-off. A ground of opposition involving this provision should contain facts, which, if proven, would establish the following: the existence of goodwill, deception of the public due to a misrepresentation, and actual or potential damage [for example see *Diageo Canada Inc v Heaven Hill Distilleries Inc*, 2017 FC 571].

[42] I note that the Opponent references use and the “significant and valuable reputation and goodwill” at paragraphs 7, 8, and 9(a) of the statement of opposition. The statement of opposition also contains multiple allegations that the applied-for trademark is confusing with the Opponent’s mark which, if true, would meet the misrepresentation element of the passing-off test [*Sadhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2016 FCA 69 at para 21]. Based on these facts, I consider that an allegation of actual or potential damage to the Opponent is implied such that the Applicant has sufficient material facts to reply. Without making any comment as to the merits of the Opponent’s allegations, I am therefore not satisfied that when considered in light of the statement of opposition in its entirety, the ground of opposition as pleaded is necessarily invalid such that it should be struck at this early stage.

Use contrary to section 22 of the Act

[43] A ground of opposition involving section 22 should contain facts which, if proven, would establish the following: use of the registered trademark, the existence of goodwill, likely connection or linkage made by consumers, and likelihood of depreciation [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23].

[44] As I found in respect of the non-entitlement to use ground of opposition based on section 7(b), above, trademark use and goodwill have been alleged and, given that confusion is also alleged, a likely connection and likelihood of depreciation is implied such that the Applicant has sufficient material facts to reply. Accordingly, as with the ground based on section 7(b), I am not satisfied that the ground pleaded at paragraph 9(e)(iii) of the statement of opposition should be struck at this early stage.

SUMMARY OF RULING

[45] For the reasons set out above, the statement of opposition is hereby amended as follows:

- paragraph 9(a) is struck;
- in paragraph 9(d), the term “the goods of others, including”, appearing twice, is struck twice; and
- paragraph 9(e)(ii) is struck.

[46] The remainder of the Applicant’s request to strike is denied.

COUNTER STATEMENT DEADLINE

[47] The Applicant will have one month from the date of this ruling within which to file and serve its counter statement.

Eve Heafey
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Agents of Record

For the Opponent: MBM Intellectual Property Agency

For the Applicant: Daniel S. Drapeau