



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2025 TMOB 24

Date of Decision: 2025-02-10

INTERLOCUTORY RULING

Opponent: 10859036 Canada Inc.

Applicant: Defiant Supply Inc.

Application: 2,137,715 for DEFIANT REGIME

BACKGROUND

[1] The numbered company 10859036 Canada Inc. (the Opponent) has opposed registration of the trademark DEFIANT REGIME (the Mark), which is the subject of application No. 2,137,715 in the name of Defiant Supply Inc. (the Applicant).

[2] In correspondence to the Registrar dated October 24, 2024, the Applicant requested an interlocutory ruling as to the sufficiency of pleadings. The request to strike the grounds was supported by a general statement that the grounds were irrelevant and lacked specificity. In addition, the Applicant submits a “substantial basis for opposition” has not been provided. The Applicant’s remaining submissions, generally consist of comments that the pleadings are deficient because they do not include various evidence or arguments. For example, in respect of the non-distinctiveness ground the Applicant alleges the pleading is vague and unsupported saying:

It is insufficient to merely claim a lack of distinctiveness without presenting specific arguments or evidence. The Applicant has invested significantly in establishing brand identity and market recognition, and any unsubstantiated claims about the distinctiveness of the mark should be struck from the opposition.

[3] The Opponent's response to the Registrar's invitation to provide submissions responsive to the Applicant's request for an interlocutory ruling, was that it believed the grounds were sufficiently pleaded. It also correctly stated that it was not obliged to provide evidence or arguments at this stage in the proceeding.

THE SCOPE OF INTERLOCUTORY RULINGS

[4] The sufficiency of a statement of opposition is governed by section 38 of the *Trademarks Act*, RSC 1985 c T-13 (the Act). Section 38(2) of the Act comprises an exhaustive list of the grounds upon which an opposition may be based.

[5] Section 38(3)(a) of the Act requires grounds of opposition to be set out in sufficient detail so as to enable an applicant to reply [*Schneider Electric Industries SAS v Spectrum Brands, Inc*, 2021 FC 518 at para 26]. It is recognized as an elementary condition of fairness that a party must be informed of the case which it must meet [*Carling Breweries Ltd v Molson Companies Ltd* [1984] 2 FC 920, aff'd [1988] FCJ No 10].

[6] Section 38(4) of the Act governs the statement of opposition as a whole. If the Registrar finds that at least one ground of opposition raises a substantial issue for decision, a statement of opposition will be forwarded to an applicant. In this case, the Registrar reviewed the statement of opposition and considered at least one ground of opposition raised a substantial issue for decision. As such the Applicant's submissions that there is no substantial basis for the opposition, will not be discussed further.

[7] Section 38(6) confers upon the Registrar the ability to strike all or part of a statement of opposition. Assuming the truth of the allegations of fact contained in the statement of opposition, a ground of opposition may be struck if there is no reasonable prospect of success when viewed in the context of the applicable law [*Manufacturers Life Insurance Company v British American Tobacco (Brands) Limited*, 2017 FC 436 at paras 57-64 (*Manufacturers*)]. That said, in *Manufacturers* the Federal Court noted at paragraph 60 that caution should be exercised when striking a pleading and that it is preferable to err on the side of permitting novel but arguable claims to proceed to determination.

ANALYSIS

[8] A proper pleading alleges the material facts, but not the evidence which the opponent intends to rely upon to establish those facts [*Pepsico Inc v Registrar of Trade-marks* (1976), 22 CPR (2d) 62 (FCTD)]. I will therefore disregard the Applicant's calls for the Opponent to furnish evidence at this stage in the proceeding. Similarly, in respect argument I remind the Applicant that both parties will in due course be afforded the opportunity to provide oral and written representations. Nonetheless, I will consider the sufficiency of the pleadings as the Applicant also alleges, in general terms, a lack of specificity.

Non-Registrability Ground

[9] The Opponent pleads that the Mark is not registrable pursuant to section 38(2)(b) and 12(1)(d) of the Act because it is confusing with the Opponent's registrations.

[10] An opponent need only identify extant registrations on which it intends to rely for a registrability ground to be validly pleaded. As the Opponent lists registration Nos. TMA1,192,338 for DEFIANT, TMA1,192,337 for TORONTO

DEFIANT and TMA1,192,340 for TORONTO DEFIANT & Logo, I am satisfied that this ground has been pleaded in sufficient detail to allow the Applicant's reply. The request to strike this ground is therefore denied.

Non-Entitlement Ground

[11] The Opponent pleads that the Applicant is not entitled to registration having regard to sections 38(2)(c) and 16(1)(a) of the Act since as of the material date the Mark was confusing with the Opponent's trademarks previously used in Canada and was not abandoned as of the date of advertisement of the application for the Mark. The trademarks relied upon are those identified in the paragraph above. The Opponent has claimed use of these trademarks and indicates the associate goods and services. It has stated that the trademarks were not abandoned as of the date of advertisement of the Mark. I am again satisfied that this ground has been pleaded in sufficient detail to allow the Applicant's reply. The request to strike this ground is denied.

Non-Distinctiveness Ground

[12] The Opponent pleads, pursuant to section 38(2)(d) and section 2 of the Act, that the mark is not distinctive as it is confusingly similar to the Opponent's trademarks and does not actually distinguish, nor is it adapted to distinguish the Applicant's goods and services from the Opponent's goods and services. Noting the Opponent's pleadings are confined to its own defined trademarks and the associated goods and services, I find the ground to be properly pleaded and sufficiently precise to allow the Applicant to respond. The request to strike this ground is again denied.

No Use or Proposed Use

[13] The Opponent pleads pursuant to section 38(2)(e) of the Act that as of the filing date of the application the Applicant was not using and had not

used the Mark in Canada as a trademark in association with each of the goods and services covered by the application. I note that the Opponent has essentially reproduced the language of the Act without providing further particulars. The Registrar has in the past found that replication of the language of the Act, without additional facts, will not suffice in respect of this ground [*DMD Products, LLC v Donna Lehtonen*, 2024 TMOB 126 at paras 9-10]. Minimally, in respect of the component of the ground alleging that the Applicant did not intend to use the Mark the Opponent must provide some material facts as to why the Applicant did not or could not propose to use the Mark in Canada in association with the goods and services specified in the application [*Industria de Diseño Textil, S.A. v Sara Ghassai*, 2024 TMOB 150 at para 26 (*Industria de Diseño*)]. I therefore find the Applicant's submissions that the pleadings are vague and lack specificity has merit in respect of this ground. Absent additional material facts, I find that this ground of opposition does not contain sufficient material facts to allow the Applicant to reply. For this reason, paragraph 6(d) of the statement of opposition is struck.

Non-Entitlement to Lawful Use

[14] Section 38(2)(f) addresses an applicant's lawful entitlement to use the applied for trademark. The analogous provision under the Act as it read prior to June 17, 2019 (the Old Act) is section 30(i). Jurisprudence pertaining to section 30(i) suggests that this is not a catch all clause and that pleadings alleging, for example, non-registrability under this ground are considered duplicative and properly struck or dismissed on that basis [see *Ali Baba's Middle Eastern Cuisine Ltd v Nilgun Dardere*, 2012 TMOB 223 at para 15 and *Fruit of the Loom, Inc v LRC Products Limited*, 2021 TMOB 39]. The same reasoning applies to legal entitlement under section 38(2)(f) of the Act [*Industria de Diseño* at para 38].

[15] The Opponent pleads pursuant to 38(2)(f) that use of the Mark would contravene sections 7(b), 19, 20 and 22 of the Act.

Sections 19 and 20 Infringement

[16] It has not been established under the Old Act or the current Act whether grounds of opposition alleging use that contravened sections 19 and 20 are valid. Even assuming these grounds are indeed valid, they are duplicative in that the success of these grounds is premised on the finding of confusion required in respect of the registrability and entitlement grounds. The statement of opposition does not contain facts that might explain why the Opponent must rely on sections 19 and 20 rather than the registrability and entitlement grounds.

[17] I note in addition that section 19 contemplates infringement claims involving identical trademarks [*Tradition Fine Foods Ltd v Oshawa Group Ltd 2005 FCA 342* at paras 8 and 9]. The Mark is not identical to the trademarks relied upon by the Opponent and for this reason as well the section 19 ground is not valid.

[18] The portion of the ground relying on sections 19 and 20 of the Act will therefore be struck by deleting reference to “19 and 20” in paragraph 6(e) of the statement of opposition.

Section 7(b) Passing Off

[19] Under the Old Act a ground of opposition based on section 30(i) in combination with section 7(b) has been held to be valid [see for example *Dairy Processors Association of Canada v Producteurs Laitiers du Canada/Dairy Farmers of Canada*, 2014 FC 1054; *Bojangles’ International LLC v Bojangles Café Ltd*, 2006 FC 657].

[20] Pleadings acceptable under this ground should comprise material facts, which, if proven, would establish the three elements described by the *Federal Court in Diageo Canada Inc v Heaven Hill Distilleries Inc*, 2017 FC 571. The three elements are goodwill, public deception due to misrepresentation and actual or potential damage.

[21] The Opponent has alleged use in Canada for “decades” as well as goodwill and reputation associated with its trademarks. The Opponent also alleges confusion which, if established, would fulfill the requisite misrepresentation element of the test [*Sadhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2016 FCA 69 at para 21]. In light of the presence of facts supporting these first two requirements and the information contained in the statement of opposition as a whole, I infer the Opponent is also alleging actual or potential damage which if proven would meet the third requirement. As I am not convinced that the ground of opposition is necessarily invalid, I will refrain from striking this ground at this early stage in the proceeding.

Section 22 Depreciation of Goodwill

[22] Section 22(1) of the Act states:

No person shall use a trademark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto.

[23] Section 22 in combination with section 30(i) of the Old Act forms a valid ground of opposition [*McDonald’s Corporation and McDonald’s Restaurants of Canada Limited v Hi-Star Franchise Systems Inc*, 2020 TMOB 111 at para 28]. Again, I see no reason to apply different treatment in respect of the current section 38(2)(f).

[24] Section 22 of the Act requires four elements [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23]. Use of the registered trademark is a requirement, as is the trademark being sufficiently known for significant goodwill to have attached. Additionally, there must exist a connection, linkage or mental association in the mind of the hypothetical consumer between an opponent's goodwill and the applicant's use. Finally, a likelihood of depreciation is necessary.

[25] The Opponent pleads that in light of the goodwill and reputation associated with its trademarks in Canada, the overlap in the goods and services of the respective parties and the linkage likely created in the minds of consumers between the parties' trademarks, use of the Mark is unlawful and contravenes section 22 of the Act.

[26] The Opponent's alleged prior use and goodwill suffice to address the first two requirements. While the Opponent has not specifically alleged a likelihood of depreciation, I am prepared to infer this considering the allegations of overlapping goods and services and confusion. In this regard, I note the proceeding is at an early stage and for this ground to succeed the Opponent will ultimately be required to establish, through evidence, the four requisite elements associated with a claim to depreciation of goodwill pursuant to section 22 of the Act.

Conclusion

[27] The Applicant's requests to strike the non-registrability, non-entitlement and non-distinctiveness grounds are refused. For these grounds, the Opponent has provided the Applicant with sufficient material facts to allow it to reply. However, the request to strike the ground raised pursuant to section 38(2)(e) that the Applicant did not use or intend use of the Mark which is set out at paragraph 6(d) of the statement of opposition will be struck. Finally, the request to strike the ground of opposition under section

38(2)(f) is rejected in part. The request to strike the portion of the ground relating to sections 7(b) and 22 of the Act is refused, while the portion relating to sections 19 and 20 will be struck. More particularly, reference to sections “19 and 20” in paragraph 6(e) of the statement of opposition will be struck.

[28] Finally, the Applicant has one month from the date of this Interlocutory Ruling to submit and serve its counter statement.

Coleen Morrison
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Agents of Record

For the Opponent: Borden Ladner Gervais LLP

For the Applicant: MBM Intellectual Property Agency