

**OPPOSITION PROCEEDINGS**

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## **OPPOSITION PROCEEDINGS**

Oppositions are the second major stage in the processing of a trade-mark application to registration, the first being examination. Oppositions are the moment when members of the public are provided an opportunity to voice their objections to the registration of a particular trade-mark, and to file evidence and make representations in support of their position. The examination of a trade-mark application is the responsibility of the Registrar of Trade-marks acting through examiners who evaluate registrability. Many of the objections raised by examiners may also form the basis of opposition proceedings. In addition, simply because an examiner is of the view that a trade-mark is in compliance with various sections of the *Trade-marks Act (the "Act")*<sup>1</sup> does not mean that an opponent cannot oppose relying on those same sections.

Section 37 of the Act provides that the Registrar of Trade-marks shall refuse an application if it does not comply with the requirements of Section 30, is not registrable pursuant to Section 12, or the applicant is not the person entitled to registration per Section 16. If an examiner is satisfied as to registrability, he or she will issue a notice of approval to the applicant or its trade-mark representatives advising that its application is now in order for advertisement in the Trade-marks Journal for purposes of opposition<sup>2</sup> (see Appendix A for a sample Approval Notice). Where the Registrar is in doubt by reason of a registered trade-mark, he or she shall nonetheless cause an application to proceed to advertisement<sup>3</sup>. In the case of oppositions on the other hand, it used to be that where the Registrar in the form of the Opposition Board was in doubt, said doubt would be held against the applicant and the application refused<sup>4</sup>. However, the Federal Court of Appeal has recently held that the "still in doubt" standard is too onerous and mandated that the applicable standard is the "balance of probabilities".<sup>5</sup>

The Trade-marks Journal is a government publication issued on a weekly basis as required by Rule 15 of the *Trade-mark Regulations (1996)*<sup>6</sup>. The contents of advertisements of trade-mark applications as published in the Journal are governed by Rule 16. An advertisement must include a depiction of the trade-mark whether in

words alone or in design form, disclaimers of any features of the mark, and the name and address of the owner as well as its trade-mark representative, if any. Further, it must include the application number, filing date, convention priority date if applicable, the basis on which it is applied (i.e. use, proposed use, and the like), and other information as listed in the regulation relevant to enabling a third party to decide whether or not to oppose (see Appendix B for a sample advertisement).

Section 38(1) of the Trade-marks Act provides that any person who believes that he or she has a valid ground of opposition to an application published in the Trade-marks Journal can file a statement of opposition with the Registrar of Trade-marks, on payment of the prescribed fee, within two months from the date of publication. A third party considering opposition may also request an initial three month extension of time in which to do so. Typically these requests for extensions will be granted where the party provides minimal support for its request such that it requires time to review the particulars of the advertised application with its instructing principals. Unlike the case where a party has to first establish that it is a "person interested" in order to obtain the expungement of a registered trade-mark before the Federal Court of Canada, there is no similar requirement in order for a "person" to be entitled to oppose<sup>7</sup>. Note that "person" is defined in the Trade-marks Act to include "any lawful trade union and any lawful association engaged in trade or business or the promotion thereof, and the administrative authority of any country, state, province, municipality or other organized administrative area"<sup>8</sup>.

### **ONUS IN OPPOSITION PROCEEDINGS**

The onus that the parties are obliged to discharge in opposition proceedings evolved from the well-known decision of *Eno v. Dunn*. This decision revealed the principle which has long been adopted by the Opposition Board to the effect that the legal burden is on an applicant with respect to each of the grounds of opposition raised by an opponent. However, the evidential burden is on an opponent to prove the facts it relies on to support its grounds of opposition. The presence of a legal burden means that if after all the evidence is in, a determinant conclusion cannot be reached, the issue must be decided against that party. The presence of an evidential burden with

respect to a particular issue means that for it to be considered at all, there must be sufficient evidence from which it can reasonably be concluded that the facts alleged to support that issue exist<sup>9</sup>.

It also should be noted that Sections 16(4), (5), and 17(1) of the Act add an additional burden on an opponent to establish that any previously filed application for a confusing trade-mark, or any confusing trade-mark or trade-name previously used or made known that it relies on, had not been abandoned at the date of advertisement of the applicant's application.

### **MATERIAL DATES IN CONSIDERING EACH OF THE GROUNDS OF OPPOSITION**

I set out below what appears to be the current state of the law as to the relevant dates which the Board will consider in rendering its decision as to each ground of opposition:

- (1) contravention of any of the sections of Section 30 - the usual date is considered to be the date of filing of the application<sup>10</sup>;
- (2) non-registrability pursuant to one or more of Sections 12(1)(a) to (h) inclusive - usually the date of the Opposition Board decision<sup>11</sup>;
- (3) non-entitlement under Section 16 - the precise date may be found in each of Sections 16(1), (2), or (3) - depending on which basis the application is filed. By way of example, for an application based on use of a trade-mark in Canada, the relevant date is the alleged date of first use. For a proposed use application, the relevant date is the filing date<sup>12</sup>;
- (4) non-distinctiveness per Section 2 - the date of filing of the Statement of Opposition is considered the relevant date<sup>13</sup>.

### **OPPOSITIONS**

The Trade-marks Journal is the bible of trade-mark practitioners and must be reviewed with great care. This is the publication which alerts the public including professional advisers to attempts by third parties to register trade-marks which might be considered confusingly similar to their own or their clients' trade-marks and/or trade

names. Regardless of whether there is a legal obligation however unlikely on practitioners to monitor the Journal, there is certainly an expectation by many clients that they will receive this additional service after their applications are placed on file by their representatives.

An opposition is an administrative proceeding in many ways akin to a court action. It is an adversarial process presided over by an administrative tribunal in which the rules of evidence and natural justice and in particular fairness are applied. Members of the Opposition Board have developed a great deal of expertise in dealing with the vast array of legal/technical issues that arise in oppositions, and thus practitioners must keep abreast of the latest developments in order to properly draft pleadings and evidence, conduct effective cross examinations, and present persuasive submissions whether by written and/or oral argument.

The process requires not just a familiarity with the case law surrounding the different grounds of opposition that might be raised, but also with numerous other areas including the admissibility of evidence, properly qualifying experts, admissibility and reliability of survey evidence, compelling answers in cross examinations, and so on.

Any party corresponding with the Registrar of Trade-marks should clearly indicate that its correspondence relates to opposition proceedings, such as addressing its correspondence to the "Attention of the Opposition Board".

### **THE STATEMENT OF OPPOSITION**

There are five distinct stages in an opposition proceeding, commencing with the preparation and filing of a statement of opposition. Pursuant to Section 38(3) of the Act, a statement of opposition must set out the grounds of opposition in sufficient detail to enable the applicant to reply thereto. This means that at least some material facts must be provided to substantiate each ground. Further, it must also set out the opponent's principal office or place of business in Canada, if any, or such address abroad and the name and address in Canada of a person or firm upon whom service of any document in the opposition proceeding may be made.

Rule 38 states that a statement of opposition shall be filed with the Registrar in duplicate. Note that a copy is not served directly on the applicant or its representatives. The Registrar reviews the statement of opposition to ensure that it raises a substantial issue for decision, failing which it will be rejected and a notice of the decision given to the opponent pursuant to Section 38(4) of the Act. In practice, the Registrar in most cases will issue a formal letter to the opponent advising of any deficiencies in its statement of opposition, and usually provides an opportunity for same to be rectified. If the Registrar considers that the opposition pleading raises a substantial issue for decision, he shall under Section 38(5) forward a copy to the applicant or its representatives. Even if the Registrar approves a statement of opposition, an applicant can still raise an objection in its counter statement that a substantial issue has not been raised, or that one or more of the grounds of opposition have been inadequately formulated such that the statement of opposition is not in compliance with Section 38(3).

It goes without saying that an opponent is not limited to raising only one ground of opposition. Indeed, it is common in the practice for an opponent to raise as many feasible grounds of opposition as possible at the outset, even if the evidentiary foundation for each may not be immediately apparent. Parties often uncover additional grounds of opposition during the course of an opposition proceeding, especially after evidence has been filed and cross-examinations have taken place. If a statement of opposition has been broadly cast, there will be no need to later seek leave to amend the opposition to add additional grounds if they have already been included in the initial pleading. The corollary to this however is that if evidence to support any of the grounds of opposition does not exist or is wanting, parties should be candid with the Board, either at the written argument and/or oral hearing stage, and admit that they have not been substantiated.

It is apparent that to evaluate what grounds of opposition are available, an applicant or its agent must carefully review the advertisement as published in the Trade-Marks Journal, and in addition it is sometimes beneficial to obtain a copy of the application

file. The examiner's search sheet in an application file gives a second pair of eyes, or in other words, a second opinion as to possible problems with an application. Further, an examiner may have shown reluctance in accepting a particular position taken by an applicant, and that same objection may merit being raised in the opposition. Applicants may place on file written statements against interest which can be used against them in formulating the grounds of opposition, or at the evidentiary stage. For instance, if an applicant argues that a particular element in its trade-mark is weak and thus of little inherent distinctiveness, in order to overcome a citation by an examiner of a third party mark containing that element, it may run into difficulty with the Board if it takes a different position. An opponent should not hesitate to examine related trade-mark files in the name of an applicant to see whether statements against interest appear in those files as well.

### **GROUNDS OF OPPOSITION**

The grounds on which a statement of opposition may be founded are set out in Section 38(2) of the Act. They include:

- (a) that the application does not comply with the requirements of Section 30;
- (b) that the trade-mark is not registrable, as set out in Section 12;
- (c) that the applicant is not the person entitled to registration, per Section 16; or
- (d) that the trade-mark is not distinctive within the meaning of Section 2.

I will briefly discuss the main grounds of opposition in turn:

(a) **Section 38(2)(a) - the application does not conform to the requirements of Section 30**

Of the many sub-sections in Section 30, the most commonly used in oppositions include:

- (i) the wares or services are not described in ordinary commercial terms (Section 30(a)).

As the initial onus is on the opponent, it must file evidence showing that somehow the application does not "...clearly set forth wares or services as they are customarily referred to in the trade<sup>14</sup>".

- (ii) the mark has not been used in Canada since the date of first use alleged in the application (Section 30(b)).

Where information such as in this case as to use of the applied for trade-mark is within the knowledge of the applicant, the burden on an opponent is somewhat less in meeting the initial onus on it<sup>15</sup>. The onus might be met for instance where an opponent establishes that the applicant was not even incorporated until after use is alleged to have commenced. Note also that an opponent can meet the burden on it by relying on the applicant's own evidence under this section<sup>16</sup>.

- (iii) the applicant is not satisfied that it is entitled to use the trade-mark in Canada in association with the wares or services applied for (Section 30(i)).

One way in which the requirements of the section have been satisfied is where an applicant's design mark infringes the copyright in an artistic work owned by an opponent, and thus the applicant could not be satisfied that it is entitled to use its trade-mark in Canada<sup>17</sup>. There is also a line of opposition cases under this section which are based on an allegation that the applicant could not have been satisfied because use of its mark is in contravention of the provisions of another federal statute<sup>18</sup>.

**(b) Section 38(2)(b) - the trade-mark is not registrable**

Reference must be made to each sub-section of Section 12 of the Act to determine when a trade-mark is not registrable:

**(i) Section 12(1)(a)**

Section 12(1)(a) states that a trade-mark is registrable if it is not a word that is primarily merely the name or surname of an individual who is living or has died within the preceding thirty years. To support such a

ground of opposition an opponent should first submit actual references to living individuals corresponding to the trade-mark in question. Reference may be made to dictionaries, telephone directories including on-line directories, and other sources. If listings are found, then the issue becomes whether the trade-mark is merely a name or surname or might have some other significance. The onus then shifts to the applicant to submit evidence from dictionaries and the like of such other meanings. If the trade-mark has another meaning, the Board must decide whether it is "primarily merely" a name or surname. The test was described by His Honour Justice Judson of the Supreme Court of Canada as follows:

"Is the primary (chief) (principal) (first in importance) meaning of the word merely (only) (nothing more than) a surname?"<sup>19</sup>

Another way of approaching the matter was stated by His Honour Justice Jockett of the then Exchequer Court:

"The test must be what, in the opinion of the respondent or the Court, as the case may be, would be the response of the general public of Canada to the word"<sup>20</sup>.

It goes without saying that if the trade-mark is a name or surname and has another connotation(s), each of which are of equal importance, then it cannot be said to be "primarily merely" a name or surname and thus would not offend Section 12(1)(a).

**(ii) Section 12(1)(b)**

Section 12(1)(b) of the Trade-marks Act provides that a trade-mark is unregistrable if, whether depicted, written or sounded, it is either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the wares or services applied for, or of the conditions of or the persons employed in their production, or of their place of origin.

The general principles applied in determining whether a trade-mark or a portion thereof is either clearly descriptive or deceptively misdescriptive include:

- (1) whether a trade-mark is clearly descriptive or deceptively misdescriptive is a matter of first impression and is not to be determined after careful reflection<sup>21</sup>.
- (2) the use of the word "clearly" to modify the word "descriptive" is of great significance. The meaning of the word "clearly" equates to "easy to understand, self-evident or plain"<sup>22</sup>.
- (3) trade-marks which have some suggestive connotation of the character or quality of the wares or services applied for do not offend the subsection. As stated by His Honour Justice Noel:  
  
"...the Trade Marks Act (s.12(1)(b) seems to contemplate the acceptance of some descriptive connotation. It indeed does not say any description of any kind but one which is clearly descriptive of the character or quality of the wares."<sup>23</sup>
- (4) a trade-mark must be viewed in its totality in considering the question of whether it is descriptive or misdescriptive<sup>24</sup>.
- (5) a trade-mark to be considered to offend Section 12(1)(b) must self-evidently or plainly describe the character or quality of the wares or services themselves and not merely some collateral feature thereof<sup>25</sup>.
- (6) the issue of descriptiveness must be viewed not from the point of view of the consumer of high education, but rather from that of the average consumer dealing with the particular wares or services<sup>26</sup>.

A trade-mark may also be unregistrable if it is either clearly descriptive or deceptively misdescriptive of the conditions of or the persons employed in their production. For example, the trade-mark KILNCRAFT for tableware was held to offend this section as it suggested that the goods were produced skilfully in a kiln<sup>27</sup>.

Similarly a trade-mark offends the section if it is clearly descriptive or deceptively misdescriptive of the place of origin of the wares or services. A classic example of a mark held deceptively misdescriptive of origin involved an application for CASABLANCA as a proposed trade-mark for wines which did not originate from the Moroccan city<sup>28</sup>.

Another well known example is the trade-mark SHAMMI for a transparent polyethylene glove which was rejected on the basis that the trade-mark suggests it was made of chamois or shammi<sup>29</sup>.

We must also keep in mind that descriptiveness may be found not just in the written form of the mark, but also in the manner in which the trade-mark is depicted or sounded. Further, a trade-mark which is acceptable in one official language may be rejected if it offends the subsection in the other.

**(iii) Section 12(1)(c)**

This section prohibits the registration of a trade-mark which is the name in any language of any of the wares or services applied for. It was pursuant to this section that the trade-mark BRÛLERIE was expunged since it was considered to be the name of the services for which it was registered, namely a place where coffee beans are sold and roasted for consumption<sup>30</sup>.

**(iv) Section 12(1)(d)**

A trade-mark is not registrable if it is confusing with a registered trade-mark. Reference must then be made to Section 6 of the Trade-marks Act to enable a determination of whether the trade-marks at issue are confusingly similar. In particular, Section 6(5) states that the Opposition Board acting on behalf of the Registrar shall have regard to all the surrounding circumstances including the specific criteria listed in the section. Pairs of trade-marks found not to be confusingly similar include COCA-COLA and PEPSI-COLA for beverages, SEARS-O-PEDIC and POSTUREPEDIC for mattresses; and FRIDGIDAIRE and

FROZENAIRE for refrigerators. Examples of trade-marks held to be confusingly similar include PINE-SOL for ...disinfecting and bleaching fluids and PINE-L for disinfectants; SMARTIES for confections and SMOOTHIES for candy; and THE IRON KING for men's work trousers and IRON MAN for overalls... .

**(v) Section 12(1)(e)**

Grounds of opposition are also available pursuant to Section 12(1)(e) which prohibits the registration of a trade-mark prohibited by either of Sections 9 or 10. Section 9 lists a number of prohibited marks including the emblem of the Red Cross as well as so called official marks such as the OLYMPIC marks. Section 10 prohibits registration of any mark which has by ordinary and bona fide commercial usage become recognized in Canada as designating the kind, quality, quantity, destination, value, place of origin, or date of production of any wares or services.

**(vi) Sections 12(1)(f), (g) and (h)**

Section 12(1)(f) prohibits the registration of a trade-mark which offends Section 10.1 dealing with denominations under the Plant Breeders' Rights Act. Sections 12(1)(g) and (h) prohibit the registration of protected geographical indications as defined in the Act where the trade-mark is to be registered in association with a wine or a spirit not originating in a territory indicated by the particular geographical indication.

**(c) Section 38(2)(c) - Non-Entitlement**

The third possible ground of opposition found in Section 38(2)(c) is that the applicant is not the person entitled to registration of the trade-mark. Reference must then be made to Section 16 of the Act to determine if a ground of opposition exists. Where a trade-mark application is based on use or making known of the trade-mark in Canada, reference should be made to Section 16(1) for a possible ground of opposition. Where an application for registration is based on a trade-mark registered and used abroad, reference should be made

to Section 16(2). Where an application is based on "intent to use", an opponent should review the provisions of Section 16(3). Essentially, an opponent in order to prevail must be in a position to establish ownership of a trade-mark that has been previously used or made known in Canada by any other person, a trade-mark in respect of which an application for registration had been filed prior to the applicant's priority date, or a trade-name previously used by any person. Note however Section 17(1) provides that no application shall be refused on the ground of such previous use or making known by a third party except at the instance of that person or its successor.

**(d) Section 38(2)(d) - Non-distinctiveness**

The final ground of opposition relates to an allegation that the applicant's trade-mark is non-distinctive. The definition of "distinctiveness" is found in Section 2 of the Act:

"Distinctive", in relation to a trade-mark, means a trade-mark that actually distinguishes the wares or services in association with which it is used by its owner from the wares or services of others or is adapted so to distinguish them."

The most common basis on which a mark is found to be non-distinctive is where it is also held to be confusingly similar with a previously used trade-mark or trade-name or a previously registered trade-mark.

A trade-mark will also be held to be non-distinctive if it has been improperly licensed by a trade-mark owner in contravention of the licensing provisions found in Section 50 of the Act. Further, if use of a trade-mark by unlicensed third parties is widespread, then it will be said to be rendered non-distinctive. Finally, when an applicant has used a trade-mark in a generic sense i.e. as the name of its wares or services, then the mark may be held to no longer function as a trade-mark as it is no longer distinctive of the owner's wares or services.

**COUNTER STATEMENT**

If the Opposition Board is satisfied that a statement of opposition adequately raises at least one ground of opposition, the Board will serve a copy on the applicant or its

representatives as the case may be. The applicant will then have one month in which to file and serve a counter statement in response, or request a three month extension of time in which to do so. Further extensions beyond that point will only be available with the consent of the other side or on demonstration that special circumstances exist.

The standard counter statement typically consists of a simple traversal of each of the grounds of opposition raised. However, not enough practitioners take advantage of the counter statement to convey meaningful information to the other side as to their client's position. This is recommended before the opposition becomes further advanced and the heavier expenses involved in preparing evidence and written arguments are incurred. For example, there is nothing to prohibit a party, in addition to denying each of the grounds of opposition, to also list the prevalence of certain elements on the trade-marks register. While this "state of the register" information will not be accepted by the Board as evidence, it may alert an opponent's representative, or at least his or her client that its claim to a monopoly in a certain trade-mark or element thereof may not be as well founded as first thought. This can often lead to a softening of positions and result in a meaningful compromise. On the other hand, a counter statement is not a pleading to be filled up with an exposé of the law or an evaluation of the parties' positions, especially as each side's evidence has not as yet been filed. It should also be kept in mind that failure to file a counter statement will result in the abandonment of an application<sup>31</sup>.

### **THE EVIDENTIARY STAGE**

A practice notice from the Registrar of Trade-marks entitled "Procedure before the Trade Marks Opposition Board"<sup>32</sup> sets out three guiding principles to consider at the evidence stage:

- (a) Generally, the Opposition Board will follow the rules of evidence which apply in the Federal Court of Canada. The notice also suggests reference be made to G.W. Partington's article "Evidence in Opposition Proceedings" (1985), 2 Canadian Intellectual Property Review 54;

- (b) Where the parties agree that a particular form of evidence is acceptable, the Opposition Board will usually be prepared to accept it; and
- (c) In general, the Opposition Board will not issue rulings on evidentiary matters until the decision stage.

The key to success in any opposition is the quality of the evidence filed, and the testing of that evidence by effective cross-examination. The most effective canvassing of jurisprudence will usually be of little use to a party where the other side has provided significantly better evidence to support its position. Further, the Opposition Board will typically be more than happy to apply the relevant law in such instances even if a party's representative fails to mention it.

The goal in drafting evidence is to meet the onus on a party and correspondingly to put pressure on the other side to counter the strength of one's position. Once again, the greater the effort devoted at this stage, the more likely it is that the applicant may abandon its application or the opponent withdraw. Note that significant evidence may be gathered independently of one's own client such as by visits to each party's web site, internet corporate searches, and the like.

An opposition based on an allegation of prior use of a confusingly similar trade-mark or trade name requires that adequate evidence of this prior use be filed. It is not enough for a representative of either party to simply state that the owner has effected use of its mark since a certain date. This allegation must be supported by documentation ideally from company records including representative invoices and the like. Further, it is best to provide at least a few such invoices evidencing sales for each year of use.

Obtaining proper evidence from a client requires organization, creativity and tenacity. It is advisable to have a standard form letter in one's system which sets out the documents and other materials required to enable the drafting of an affidavit. Indeed, there is no need to wait for a counter statement or the opponent's evidence to arrive before you send this letter to your client in order to expedite matters, so long as you advise that there is always a possibility that the other side may withdraw beforehand.

The typical documentation and information required to prepare an affidavit(s) for many standard oppositions includes:

- the name of a suitable affiant;
- his or her current and previous positions with the applicant or opponent including length of time in each position;
- a brief description of their responsibilities;
- an annual report, brochure, or other materials which describe the company generally, including its operations in Canada;
- yearly sales in Canada for each particular trade-mark or trade-name relied on since use first commenced in each case;
- yearly advertising and promotional expenditures in Canada, with a breakdown according to the different types of advertising and promotion effected;
- representative yearly invoices evidencing use of each trade-mark or trade-name;
- representative advertisements and promotional pieces;
- representative specimens featuring use of the trade-mark or trade-name whether in the form of hang tags, labels, photographs, and the like; and
- a statement from a knowledgeable person with the applicant/opponent advising why in his or her opinion confusion is/is not likely.

Great care should be taken in selecting a suitable affiant. An individual who has only been with the company for a short period of time may not be familiar with the history of the company including its use of the trade-mark or trade-name relied on and may be vulnerable on cross-examination. For instance, if the mark has been owned by a predecessor company, and the affiant is not in a position to attest to the use by that company, then an opponent's reliance on said use may be of much less probative value. Similarly, an affiant who is not familiar with the licensing history of a particular mark may place on record damaging statements which may be difficult to repair.

A problem often arises where parties are loath to place on the public record certain information considered confidential to the company such as sales figures and the like. One alternative in the case of sales figures would be to use terms such as "in excess of" a certain amount as opposed to divulging the exact sales figure achieved in a particular year. For example, if a party achieved \$30 million in yearly sales, it could avoid divulging the actual figure and still put on record an indication of fairly impressive sales by simply stating it effected sales "in excess of \$15 million".

### **THE OPPONENT'S EVIDENCE**

Within one month of the filing and service of a counter statement, the opponent's evidence becomes due<sup>33</sup>. An initial six month extension of this deadline is available, and further extensions are possible if the other party consents or adequate justification is provided. For instance, if significant progress has been achieved in the preparation of affidavit material, and a limited amount of time is required to complete preparation and achieve execution, filing and service, then the Board will usually be open to granting short additional extensions. In support, the party seeking an extension is well advised to file and serve a draft of at least one of the affidavits that it is preparing in order to demonstrate the progress achieved to date. Note that the opponent also has the option of filing a statement that it does not intend to submit evidence. If it fails to file evidence or a statement, the opposition will be deemed to be withdrawn<sup>34</sup>.

### **THE APPLICANT'S EVIDENCE**

Within one month of being served with the opponent's evidence or a statement that it does not intend to file evidence, the applicant shall submit its evidence, or a statement that it does not intend to file same, and serve said evidence or statement on the other side. If the applicant does not submit either evidence or a statement, the application will be deemed to be abandoned<sup>35</sup>. Once again an initial six month extension of the deadline to file evidence is available, and further extensions may be obtained with the consent of the opponent or on providing adequate justification to the Board.

## **REPLY EVIDENCE**

Within one month after service on the opponent of the applicant's evidence, the opponent may file and serve evidence "strictly confined to matters in reply"<sup>36</sup>. A four month extension of the term is available.

If evidence is offered in reply which is to some extent in contradiction of the applicant's evidence, but nonetheless is by and large in confirmation of the opponent's case, then it is not properly evidence in reply. This is generally so because of the tribunal's obligation to follow the rules of natural justice and in particular fairness. In such a case, it would be unfair as it offends the general rule that a party may not split its case<sup>37</sup>. Reply evidence must be carefully assessed. If it is clearly not confined to matters in reply, it may be best to leave it alone, not effect cross-examination, and simply argue for its outright rejection.

## **CROSS-EXAMINATION**

An applicant may prefer to first effect cross-examination on the opponent's evidence before filing its own evidence. Similarly, an opponent may prefer to cross-examine the applicant's witness(es) before it decides on filing reply evidence. Once a request for an Order for cross-examination is made to the Board, it will automatically issue and provide for a four month period in which to arrange for and effect the cross-examination(s), including filing the transcript(s) and any and all answers to undertakings. This period is extendible if the other side consents or exceptional circumstances are shown. The applicant will in most cases then have four months from the completion of the cross-examination period in which to file its evidence, and the opponent four months in which to file reply evidence.

A party examining is not restricted to the so-called "four corners of the Affidavit". The general theory is that as the public interest is very much in play in the outcome of an

opposition, the scope of cross-examination extends to all issues relevant to the proceedings<sup>38</sup>.

It is almost always useful to effect cross-examination, even on the most seemingly banal of affidavits, factoring in of course the costs involved. It is also important to know what areas to leave alone, especially when they already favour your client's position or have been poorly drafted. For instance, if an affidavit sets out sales figures for a business but fails to divide them out between the various trade-marks owned by that entity, the Board will be unable to conclude what portion of those sales are applicable to the particular mark applied for, or relied on in the statement of opposition. Be aware that if you cross-examine in that area, you may enable the other side to shore up its position.

Suggestions for effective cross-examination are of course to be well prepared, which includes doing considerable background research on the other party such as by visiting its web site if available or obtaining financial and corporate reports and the like. Next, it is not advisable to question by following the chronological order of the Affidavit. It is also best to keep the questions short and to the point. Further, in keeping with the Opposition Board's practice to adopt as much as possible the evidentiary practice in the Federal Court of Canada, not only should objections to questions be placed on the record, but also the basis for the objections and replies thereto.

It is often stated that where cross-examination is not effected, the statements made in the Affidavit have to be taken at their face value. However, this does not oblige the Board to accept evidence which is otherwise inadmissible or ambiguous. In the case of ambiguous evidence in an Affidavit, said portions will usually be construed against the affiant<sup>39</sup>. Of course if a party elects not to cross-examine, it still has the opportunity to contradict statements in an affidavit(s) by way of its own affidavit evidence.

Note also that in an opposition proceeding, where a witness refuses to answer relevant questions, or provide answers to undertakings given during a cross-examination, the Board has no mechanism to compel answers. What the Board will do is draw the necessary negative inferences from the other side's refusal to comply, which in many cases is of even greater value to a party. Accordingly, in cross-examination, when you ask a relevant question which the other side refuses to answer, it is often best to simply move on given the treatment that the Board will accord the refusal. Note also that if an affiant does not appear, his or her Affidavit will be struck.

An example of the danger in allowing evidence to remain uncontradicted is found in the case of APV Vent-Axia Ltd. v. Vendair Drummond Ltée<sup>40</sup>. In this case, the applicant applied to register the trade-mark VENTEX based on proposed use for air-air heat exchangers while the opponent relied on a registration for VENT-AXIA for "fans or impellers of the screw, propeller or centrifugal type, and ventilating fans and self-contained electric fan ventilators". Mr. Partington rejected the opponent's opposition and wrote at pages 66-67:

"The applicant's heat exchangers appear to differ from the opponent's fans and ventilators although the wares of the parties are related in that both fans and heat exchangers could be utilized in the same energy recuperation system, as confirmed by ex. GB-2 to the Binette affidavit, and could be sold to the same user, such as schools, hospitals, restaurants, factories, commercial buildings and the like. On the other hand, the following paragraph of the Binette affidavit has not been challenged by way of cross-examination nor has it been contradicted by evidence in reply from the opponent:

6. Les produits vendue par ma société et ceux vendus par APV VENT-AXIA LIMITED sont très différents et de fait, ne sont même dans la même catégorie générale de produits. (sic)"

(emphasis added)

Accordingly, Mr. Partington concluded that some not unconsiderable weight had to be given to the Binette statement.

Applicants and their representatives should always keep in mind throughout an opposition that they have the right to file revised applications to amend the description of the wares and services so long as the amendment does not result in a broadening of the claim. This is a potentially valuable tool in enabling an applicant to distinguish its trade-mark from a trade-mark or trade-name relied on by an opponent. For instance, while at first blush it may appear that an applicant and opponent's goods are of the same type, it may be that they are directed to completely different industries. Accordingly, an applicant might add a qualifying clause at the end of the specification of its wares along the lines of "excluding sales to the (*insert opponent's*) industry" in order to lessen the possibility of confusion including in the eyes of the Board. This is only one example of the types of qualifying statements that can be included in a specification of wares and services to assist an applicant, and these amendments may be filed up to and including the hearing stage, but not after a decision has been rendered.

There are many areas to be considered which are beyond the scope of this paper in terms of properly introducing a party's position. They include properly qualifying experts as witnesses including individuals employed by a party itself; introducing circulation figures for advertisements which appear in publications with circulation in Canada or on television; matters that the Board may take judicial notice of; treatment of technical deficiencies in affidavits; effectively introducing state of the register evidence; survey evidence; evidence of similar market conditions in foreign jurisdictions; and the formal requirements for obtaining proper affidavit evidence from abroad.

**LEAVE TO AMEND A STATEMENT OF OPPOSITION OR  
COUNTER STATEMENT OR TO FILE ADDITIONAL EVIDENCE**

A request for leave to amend a statement of opposition or counter statement or to file additional evidence is evaluated in the general context of whether it is in the interests of justice. The Opposition Board in a practice notice<sup>41</sup> indicated it will have regard to all the surrounding circumstances in evaluating such a request including:

- (a) the stage the opposition has reached;
- (b) why the amendment was not made or the evidence not filed earlier;
- (c) the importance of the amendment or evidence; and
- (d) the prejudice which will be suffered by the other party.

Note that whenever leave is requested, it is advisable to file at the same time a copy of the pleading or evidence in question and serve a copy on the other side.

**WRITTEN ARGUMENTS**

Once fourteen or more days have passed from the completion of the evidence stage, the Registrar will issue a notice to the parties providing one month in which they may file a written argument<sup>42</sup>. The Board will allow a four month extension on request. Written arguments are filed in duplicate but the other side is not served with a copy. It is the Opposition Board which briefly reviews the arguments of both parties, and serves a copy on the opposing side. At the same time, the Board will provide a notice that either side may request an oral hearing within one month from the date of the notice.

The standard written argument consists of a summary of the history of the opposition including the contents of the application, the date of opposition, a synopsis of the evidence filed by each side, and a brief summary of any cross-examinations. The next section in a written argument involves a recitation of the grounds of opposition and an analysis of each ground vis-à-vis the applicable facts and jurisprudence. Written arguments are usually carefully reviewed by the Opposition Board, and thus great care should be taken in their preparation. This is an

opportunity for each side to highlight those aspects of the evidence including from the cross-examination transcripts which a party believes the Board should be alerted to.

## **EXTENSIONS OF TIME**

Section 47(1) of the Act deals with requests for extensions of time made within the time limits prescribed by the Act or Regulations. We have dealt with these under the general headings Applicant's Evidence, Opponent's Evidence, Reply Evidence, and Written Arguments.

Where the prescribed deadline for doing an act has expired, such as the initial two month period for filing a Statement of Opposition, it is still possible to seek a retro-active extension of time under Section 47(2) of the Act provided the application has not moved to allowance.

The case law is clear that a party filing a late request for an extension of time must establish that the circumstances which caused it to fail to apply within the prescribed period arose during that period. It will then be up to the Registrar to decide whether the delay "was not reasonably avoidable" within the meaning of Section 47(2). In the Kitchen Craft case<sup>43</sup>, the prospective opponent only learned of the advertisement of the trade-mark of concern some seven months after the time to oppose had expired. It argued on appeal that small companies such as itself could not and should not be expected to subscribe to the Trade-Marks Journal or engage trade-mark advisers to review the Journal on their behalf. The Court rejected this argument and held that a notice in the Trade-Marks Journal is proper legal notice to the world at large. Further, the opponent had failed to set forth any facts which existed within the original opposition period from which it could be concluded its failure to oppose was "not reasonably avoidable".

The provisions of Section 39(3) should also be kept in mind. This provides that where a request for an extension of time to oppose has been filed before an application moves to allowance, but the extension request is overlooked for whatever reason, the

Registrar is entitled to remove the application from allowance and grant the extension request.

Deadlines to oppose, file counter statements or evidence can usually be extended with the consent of the other side, such as in situations where the parties are in settlement negotiations and the like. Extensions in these circumstances are usually limited to three months at a time.

### **ORAL HEARING**

Hearings are held in Hull, Quebec before a one-person board. Note also that it is possible to participate in hearings by way of telephone conference call. There are currently three full time hearing officers employed by the Opposition Board including its Chairman Gary Partington, as well as a fourth officer hired under contract. French language hearings along with simultaneous language translation facilities are available. Hearings are usually held on any day during the week except Wednesdays, and each officer handles approximately 25 to 35 hearings a year. There is currently a backlog of approximately 190 cases for which hearings have been requested and are scheduled or await scheduling, or for which decisions are pending. The actual hearing date that is granted is typically anywhere from nine months to one year from the date the request is made. Decisions typically issue within one month of a hearing.

Whether or not to request an oral hearing is an oft debated subject. Some experts in the field argue that the vast majority of hearings do little, if anything, to advance either side's case especially where written arguments are on file. Rather, they typically amount to no more than a simple repetition of what has already been laid out in the pleadings, evidence, and written arguments.

There are at least some instances where an oral hearing is merited. By way of example, if one side feels that its position has been damaged by the other side's written argument, or by its failure to adequately elucidate a point or cite relevant jurisprudence, the last opportunity to repair the situation is at the oral hearing stage. Another advantage of a hearing is that it is the only opportunity one has to obtain

feedback from the Board on each party's position and respond in kind. Hearing Officers almost always arrive at the hearing having carefully read through the file and analyzed the strength and weakness of each party's case. Accordingly, their questions often alert the parties' representatives as to weaknesses in each others position, which can either be capitalized on or conversely remedied, if possible. If the Board does not direct any questions to a party, that party may itself inquire whether there are any aspects that leave the Board with doubts or questions.

One can expect a high level of adjudication in oppositions, indeed often better than other venues. Thus, if a party's case is adequately prepared, counsel is in a good position to be able to advise clients as to the likely outcome, however difficult it may be to assess such subjective issues as likelihood of confusion and the like. With this in mind, it is advisable not to waste the Board's time by restating the obvious, belabouring issues of law which have long been decided, or droning on about basic points which are raised in every hearing in which an Officer participates. The experienced practitioner quickly and succinctly canvasses issues such as the onus on the parties, and the material dates for considering the various grounds of opposition. Keep in mind that each Hearing Officer has the pleasure of listening to a trade-mark agent or lawyer remind him or her on an almost weekly basis that the onus on the parties has not changed since the week before.

Nor does it advance a party's case to reread its written argument. The better approach is to simply inquire of the Board whether they have had an opportunity to read the party's written argument and might have any questions regarding same. Then one should go on to either add points not included in one's own written argument or add commentary on the other side's case. Do not be afraid to try out new points of law, even if prior Opposition Board decisions are against you. The Board will at least consider and rule on them in writing, which may provide an opportunity to pursue the argument on appeal, if the case goes that far.

Following the hearing, the Board will issue a decision in writing either refusing the application or rejecting the opposition, and notify the parties<sup>44</sup>. An appeal of the

Opposition Board's decision is available to the Federal Court of Canada, Trial Division, within two months from the date of the decision<sup>45</sup>.

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<sup>1</sup> R.S.C. 1985, c.T-13

<sup>2</sup> *ibid*, s. 37(1)

<sup>3</sup> *ibid*, s. 37(3)

<sup>4</sup> Comark Inc. v. Especially Petites Ltd. (1990), 31 C.P.R. (3d) 48 (T.M.O.B.)

<sup>5</sup> Dion Nechwear Ltd. v. Christian Dior, S.A. et al., unreported, January 23, 2002, F.C.A.

<sup>6</sup> Trade-mark Regulations (1996) SOR/96-195

<sup>7</sup> *supra*, footnote 1, s. 57(1), s. 2

<sup>8</sup> *supra*, footnote 1, s. 2

<sup>9</sup> Eno v. Dunn. (1890), 15 A.C. 252; Versatile Corp. v. Le Promoteur D'Industries Ltée (1986), 9 C.P.R. (3d) 187 (T.M.O.B.)

<sup>10</sup> Shadex Textile Manufacturing Ltd. v. Muto (2000), 2 C.P.R. (4th) 111 (T.M.O.B.) at 114

<sup>11</sup> see for example Nabisco Ltd. et al. v. Hershey Canada Inc. (2000), 3 C.P.R. (4th) 564 (T.M.O.B.) at 572

<sup>12</sup> see for example American Assn of Retired Persons v. Canadian Assn of Retired Persons (1999), 84 C.P.R. (3d) 198 (F.C.T.D.) at 207

<sup>13</sup> Faber-Castell Canada Inc. v. Dixon Ticonderoga Inc. (1992), 41 C.P.R. (3d) 284 (T.M.O.B.) AT 287

<sup>14</sup> Dubiner et al. v. Heede International Ltd. (1976), 23 C.P.R. (2d) 128 (T.M.O.B.) at 136

<sup>15</sup> William Companies Inc. et al. v. William Tel Ltd. (2000), 4 C.P.R. (4th) 253 (T.M.O.B.) at 258

<sup>16</sup> *ibid*

<sup>17</sup> E. Remy Martin & Co. S.A. v. Magnet Trading Corporation (Hk) Ltd. (1989), 23 C.P.R. (3d) 242 (T.M.O.B.) at 246

<sup>18</sup> see for example Canada Post Corp. v. Wagon Post Ltd. (1996), 67 C.P.R. (3d) 83 (T.M.O.B.)

<sup>19</sup> Registrar of Trade Marks v. Coles Book Stores Ltd. (1972), 4 C.P.R. (2d) 1 (S.C.C.) at 3

<sup>20</sup> Standard Oil Co. v. Registrar of Trade Marks (1968), 55 C.P.R. 49 (Ex.C.R.) at 59

<sup>21</sup> Clarkson Gordon v. Registrar of Trade-marks (1985), 5 C.P.R. (3d) 252 (F.C.T.D.) at 254

<sup>22</sup> Molson Cos. Ltd. v. Carling O'Keefe Breweries of Canada Ltd. et al. (1981), 55 C.P.R. (2d) 15 (F.C.T.D.) at 24

<sup>23</sup> Home Juice Co. et al. v. Orange Maison Ltée (1968), 53 C.P.R. 71 (F.C.T.D.) at 76

<sup>24</sup> Thomas J. Lipton. Ltd. v. Salada Foods Ltd. No. 3 (1980), 45 C.P.R. (2d) 157 (F.C.T.D.) at 161

<sup>25</sup> Molson Cos. Ltd. v. Carling O'Keefe Breweries of Canada Ltd. et al. *supra*, footnote 21, at 24

<sup>26</sup> Atlantic Promotions Inc. v. Registrar of Trade Marks (1985), 2 C.P.R. (3d) 183 (F.C.T.D.) at 186

<sup>27</sup> Staffordshire Potteries Ltd. v. Registrar of Trade Marks (1976), 26 C.P.R. (2d) 134 (F.C.T.D.)

<sup>28</sup> T.G. Bright & Co., Ltd. v. Registrar of Trade Marks (1985), 4 C.P.R. (3d) 64 (F.C.T.D.)

<sup>29</sup> Deputy Attorney-General of Canada v. Biggs Laboratories (Canada) Limited (1965), 42 C.P.R. 129 (Ex. C.R.)

<sup>30</sup> Brûlerie des Monts Inc. v. 30002462 Canada Inc. (1998), 75 C.P.R. (3d) 445 (F.C.T.D.)

<sup>31</sup> *supra*, footnote 1, s. 38(7.2)

<sup>32</sup> Trade Marks Journal, Vol. 34 - No. 1729, Dec. 16, 1987

<sup>33</sup> *supra*, footnote 5, Rule 41(1)

<sup>34</sup> *supra*, footnote 5, Rule 41(2) and s. 38(7.1)

<sup>35</sup> *supra*, footnote 5, Rule 42(2) and s. 38(7.2)

<sup>36</sup> *supra*, footnote 5, Rule 43

<sup>37</sup> Re: Attorney General of Canada and Restrictive Trade Practices Commission (1981), 113 D.L.R. (3d) 295 at 302-3 (F.C.T.D.), as applied in Miller Brewing Co. v. John Labatt Ltd. (1986), 6 C.P.R. (3d) 560 at 563-4 (T.M.O.B.). In the Miller Brewing case, the Board refused to consider any of the opponent's reply evidence on the basis of inadmissible hearsay, and in the case of a third affidavit because it was not strictly confined to matters in reply.

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<sup>38</sup> Coca-Cola Ltd. v. Compagnie Française de Commerce International Cofci, S.A. (1991), 35 C.P.R. (3d) 406 (T.M.O.B.) at 412-13

<sup>39</sup> Rubicon Corp. v. Comalog Inc. (1991), 33 C.P.R. (3d) 58 (T.M.O.B.) at 61-2

<sup>40</sup> (1991), 36 C.P.R. (3d) 64 (T.M.O.B.)

<sup>41</sup> supra, footnote 31

<sup>42</sup> supra, footnote 5, Rule 46

<sup>43</sup> Kitchen Craft Connection Ltd. v. Registrar of Trade Marks (1991), 36 C.P.R. (3d) 442 (F.C.T.D.)

<sup>44</sup> supra, footnote 1, s. 38(8)

<sup>45</sup> supra, footnote 1, s. 56