

Federal Court



Cour fédérale

Date: 20170907

Docket: T-416-16

Citation: 2017 FC 806

Ottawa, Ontario, September 7, 2017

PRESENT: The Honourable Mr. Justice Annis

BETWEEN:

**LES MARQUES METRO / METRO BRANDS
S.E.N.C.**

Applicant

and

1161396 ONTARIO INC.

Respondent

JUDGMENT AND REASONS

TABLE OF CONTENTS

I.	Nature of the Matter	4
II.	The Application	4
III.	The Opposition.....	4
IV.	The Decision under Review	6
V.	New Evidence on Appeal.....	8
	(1) Gina Petrone	10
	(2) Francis Parisien.....	11
	(3) Denis Gendron	13
	(4) N. Arthur Smith	13
VI.	Standard of Review.....	14
VII.	Issues.....	17
VIII.	Analysis.....	18
	A. Was the TMOB’s decision not to strike the statement of opposition reasonable?	18
	(1) Position of the parties	18
	(2) The Registrar’s conclusion that the TM Application is for specific goods is reasonable	20
	(a) Subsection 30(b): “use the trade-mark in association with each of the general classes of goods or services”	21
	(b) Trade-marks Office’s practice	22
	(c) Post-advertisement amendments are irrelevant	25
	(d) Conclusion	25
	(3) Subsection 30(b) requires that the trade-mark have been used association with each specific good or service listed in the application	26
	(a) The words of subsection 30(b) of the Act.....	26
	(b) The context of the Act.....	27
	(c) Conclusion	30
	B. Has 116 Inc. used the Mark in association with “cookies and biscuits” since at least as early as the claimed date of first use?	31
	(1) Onus.....	31

(2) Subsection 30(b) of the Act	32
(3) Respondent’s Allegations of Frivolous and Vexatious Application by the Opponent	32
C. Does the Court, in exercising the discretion vested in the Registrar of Trade-marks, have jurisdiction to issue a “split” decision pursuant to subsection 38(8) of the Act?	33
(1) Background.....	33
(2) Judicial comity.....	35
(3) Analysis	36
(a) The wording of subsection 38(8) is ambiguous	36
(b) The context of the Act is not particularly helpful	37
(c) One of the objects of the Act is the balance between free competition and fair competition	38
(d) The Bill C-31 amendments are not indicative of Parliament’s intent.....	39
(e) Policy reasons support the Registrar’s jurisdiction to issue split decisions.....	40
(i) It is unreasonable and unfair for a partially successful opposition to result in a complete refusal of the entire application	40
(ii) Split decisions prevent the perverse effect of encouraging inefficient practices thereby upholding one of the purposes of the Act	41
(f) Coronet was correctly decided and is not distinguishable	42
(4) Conclusion	43
IX. Conclusions.....	43
JUDGMENT	44
APPENDIX	45

I. Nature of the Matter

[1] This is an appeal pursuant to section 56 of the *Trade-marks Act*, RSC 1985, c T-13 [Act] from a decision of a Hearing Officer of the Trade-marks Opposition Board [TMOB] dated December 22, 2015 (cited as 2015 TMOB 227) [Decision] respecting application No. 1,333,541 [TM Application] wherein registration of the word IRRESISTIBLES [Mark] for “candy and snacks, namely candy bars, chocolate bars, all sugar confectionary, peanut brittle, caramel bars, cookies & biscuits, all gummi confectionary, chocolate confectionary, chocolate mints, assorted chocolate boxes, and marshmallow derivative candy” [Goods] was allowed. For the reasons that follow, I find that the appeal should be allowed.

II. The Application

[2] The Respondent, corporate entity 1161396 Ontario Inc. [116 Inc.] filed the TM Application with the Canadian Trade-marks Office on February 1, 2007, based on use in Canada since at least as early as August 2001. The TM Application was approved and subsequently advertised in the Trade-marks Journal on February 20, 2013.

III. The Opposition

[3] The Applicant, Les Marques Métro / Metro Brands S.E.N.C. [Metro], filed an opposition to the registration of the Mark on July 19, 2013, alleging pursuant to paragraph 38(2)(a) of the

Act that the TM Application does not conform to the requirements of subsection 30(b) of the *Act* as the Mark has not been used by 116 Inc. in Canada in association with “cookies and biscuits” since the claimed date of first use, being “at least as early as August 2001”.

[4] Metro filed as its evidence a certified copy of the affidavit of Mr. Sarbjit Singh [Singh Affidavit], the President and sole owner of 116 Inc., dated July 31, 2014. The Singh Affidavit attests *inter alia* that 116 Inc. has been doing business as S & M Enterprises since 1995. It also appears from the exhibits of the affidavit that at least some of 116 Inc.’s good associated with the Mark (IRRESISTIBLES) are distributed by the corporate entity “One Better Inc”. The Singh Affidavit was produced by 116 Inc. in the context of a prior opposition proceeding respecting trade-mark application no. 1,329,344 for the trade-mark IRRESISTIBLE by Metro, which was abandoned on October 23, 2012 [previous opposition].

[5] 116 Inc. filed as its evidence the affidavit of Mr. Karol Pawlina [Pawlina Affidavit], a student in their employ. The Pawlina Affidavit essentially produced copies of the correspondence and procedure from the previous opposition.

[6] There was no cross-examination upon any of the affidavits filed in the Opposition.

IV. The Decision under Review

[7] In his decision, the Hearing Officer first dealt with house-keeping and procedural matters. These not being highly relevant, I would simply refer to the Decision which can be found on the web at: cipo.ic.gc.ca.

[8] The Hearing Officer then dealt with the issue of whether the Registrar of Trade-marks erred in refusing 116 Inc.'s interlocutory request to strike and reject the statement of opposition on the basis that it failed to disclose an arguable case. 116 Inc. alleged that the test pursuant to subsection 30(b) "merely requires that an [a]pplicant prove use in association with the general class of wares and not with each product listed in an application for registration". As the Statement of Opposition alleged that 116 Inc. (the trade-mark applicant) had not used the Mark in association with each of the Goods set out in the TM Application, 116 Inc. claimed that Metro had not properly pled its sole ground of opposition. In the interlocutory decision, the Trade-mark Opposition Board made the following findings on behalf of the Registrar:

In my view in the instant case the application is not for wares of one general class but for individually named specific wares. In this regard, whether the specified wares are separated by a coma or a semi-colon is not determinative of whether the wares are specified as a general class or as a separate class. In my view, the phrase "namely" in the application serves to specify that separate wares follow the adverb. Further, at this stage of the proceedings the [sic] in the opposition, a proper pleading need only allege the material facts but not the evidence which the party intends to adduce to establish those facts: see *Pepsico Inc and Pepsi-Cola Canada Ltd v Registrar of Trade-marks* (1975), 22 CPR (2d) 62 (FCTD).

In view of the above, I find that the ground of opposition, as pleaded, discloses an arguable case with respect to one or more or all of the specific wares enumerated in the application. Whether

the opponent succeeds in proving its case with respect to any or all of the wares will depend on the evidence filed by the parties. In this regard, the Board, acting on behalf of the Registrar, has jurisdiction to issue divided decisions: see *Produits Ménagers Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 CPR (3d) 482 (FCTD).

[emphasis added]

[9] At the opposition hearing, the Hearing Officer refused to reconsider the interlocutory ruling seeing as the Registrar had not erred at law or in the appreciation of the facts in concluding that “the application is not for wares of one general class but for individually named specific wares”.

[10] Turning to the issue of whether the TM Application met the requirements of subsection 30(b) of the *Act*, the Hearing Officer held that Metro’s subsection 30(b) ground of opposition was set out in sufficient detail in the statement of opposition to enable 116 Inc. to reply thereto and to understand the case it had to meet. He then found that the Singh Affidavit was relevant and admissible evidence.

[11] Metro argued that since the Singh Affidavit is purported to show use of the Mark in association with the applied for goods, it is reasonable to believe that if evidence of use of the Mark in association with the opposed goods was available, that 116 Inc. would have produced it as it was in his best interest to do so. The Hearing Officer’s views are well summarized in the following portions of paragraphs 65-66 of his Decision:

[65] [...] The Singh affidavit does not claim to show use of the Mark with each of the applied for goods in the subject application; it does not claim to provide photos of an exhaustive list of labels or packaging of candy or snack items that bear the Mark. [...]

[66] There is no inconsistency in the evidence provided by Mr. Singh in his affidavit. The Singh affidavit does not cast doubt, put into question, or even speak to the claimed date of first use of the Mark with “cookies and biscuits”. The Singh affidavit simply does not address use of the Mark with these particular goods.

[12] In brief, the Hearing Officer was not convinced that the Singh Affidavit satisfied Metro’s initial evidential onus to show that the Mark was not used in association with “cookies and biscuits” at the claimed date of first use. For this reason, he dismissed the subsection 30(b) ground of opposition and rejected the opposition.

V. New Evidence on Appeal

[13] On March 10, 2016, Metro filed the present application for judicial review, appealing the Decision before this Court. In support of the present appeal, Metro has filed new evidence pursuant to subsection 56(5) of the *Act* in the form of sworn affidavits, each of which I discuss in the following paragraphs.

[14] Conversely, 116 Inc. has not tendered any new evidence and has declined to cross-examine any of Metro’s affiants. Nonetheless, 116 Inc. argues that all of Metro’s newly filed evidence is entirely irrelevant as it postdates the material date at which evidence is to be considered for purposes of subsection 30(b) of the *Act*, which is the date of filing of the trade-

mark application, being February 1, 2007 (*Redsand Inc v Dylex Ltd* (1997), 74 CPR (3d) 373 at 383 (FCTD)).

[15] Metro has submitted two decisions of the TMOB to support its argument that evidence postdating the material date may be used by an opponent to satisfy its initial evidential onus (*Seven-up Canada Co v Caribbean Ice Cream Company Ltd*, 2007 CanLII 80903 at 4 (TMOB) [*Seven-up*]; *Brasstech, Inc v Elte Carpets Limited*, 2014 TMOB 92 at para 14) [*Brasstech*]. In *Seven-up*, the TMOB explained that such evidence may be admissible because

it is difficult for a third party to produce evidence to show that there was no use of another party's mark at any date, let alone at a date several years ago, and it is for this reason that the evidential burden in cases like this is lighter. The Applicant has the opportunity to rebut such evidence[.]

[16] In *Brasstech*, the TMOB cited the *Seven-up* decision and endorsed its reasoning. I find that the reasons provided in *Seven-up* and *Brasstech* are consistent with this Court's recognition that the evidential burden of proof imposed on an opponent can be quite problematic. As explained by Justice Rennie in *Bacardi & Co v Corporativo de Marcas GJB, SA de CV*, 2014 FC 323 at para 29 [*Bacardi*]:

To adduce evidence of non-use of a mark by a competitor is problematic in two ways: first, because it requires [the opponent] to prove that something did not occur (an inherently difficult exercise), and second, because such evidence is far more likely to be in the possession of the applicant, not the party opposing the mark. It would be a challenge for [the opponent] to keep records of non-sale (whatever those records might look like) of all of its competitor's products.

[17] The main issue with evidence of non-use postdating the material date is the probative value of such evidence or, put differently, the reasonableness of the inferences that can be drawn from such evidence regarding non-use at or prior to the material date. This will depend on numerous factors, notably the amount of time elapsed between the material date and the facts established by the evidence.

[18] In view of the above, I find that the evidence submitted by Metro that postdates the material date is admissible, subject to relevance, exclusion rules, and the Court's discretion. Indeed, 116 Inc. raises questions of relevance and, in addition, argues that some of the new evidence has little or no probative value and is prejudicial to 116 Inc..

[19] It is now trite law that relevance relates to whether there is a connection between tendered evidence and a material fact, such that it makes it possible to infer the existence of one from the existence of the other (*Cloutier v R*, [1979] SCR 709 at 731 (SCC)). Put differently, the evidence must tend to increase or diminish the probability of a material fact at issue (*R v Arp*, [1998] 3 SCR 339 at 360 (SCC)). For purposes of the section 30(b) ground of opposition, evidence will be relevant if it tends to increase or diminish the possibility that 116 Inc. has used the Mark at the relevant date. I now turn to the evidence tendered by Metro.

(1) Gina Petrone

[20] Metro has filed the affidavit of Ms. Gina Petrone [Petrone Affidavit], a clerk employed by Counsel for Metro's law firm, dated April 5, 2016. The Petrone Affidavit contains a list and

printouts of all 116 Inc.'s trade-mark applications, registrations and corresponding information obtained from the Canadian Intellectual Property Office's [CIPO] website. Metro alleges that out of 27 trade-mark applications and registrations in 116 Inc.'s name, only one application (application no. 1,711,130, filed January 16, 2015, for the mark SNACK ATTACK) references "cookies" and "biscuits". Upon reviewing the Petrone Affidavit, the Court noticed the registration of the mark BRITTLE BITS (LMC 750673) registered based on use in Canada since at least as early as November 15, 2006, in association with "cookies and biscuits". The Court also takes note of application no. 1,609,443 for the mark IRRESISTIBLES based on use since at least as early as May 10, 2000, in association with "snacks".

[21] 116 Inc. submits that the Petrone Affidavit is irrelevant and immaterial as it does not provide relevant factual proof of use or lack thereof by 116 Inc. at the material date. The premise of Metro's argument relating to the Petrone Affidavit is that 116 Inc.'s trade-mark applications and registrations are representative of 116 Inc.'s business over time. Based on Metro's argument, the Court could imply that 116 Inc. is generally in the business of selling candy and chocolate goods, not "cookies and biscuits". That is not a very convincing argument. While I agree that the evidence is relevant, I find it has little probative value.

(2) Francis Parisien

[22] Metro has also filed the affidavit of Mr. Francis Parisien [Parisien Affidavit], Vice-President for Eastern Canada at ACNielsen Company of Canada [Nielsen], sworn March 31, 2016. Nielsen operates and maintains a database called MarketTrack, which collects on an

ongoing basis thousands of point of sale data obtained from optical scanning of packaged consumer goods. The point of sale data includes the Universal Product Code [UPC], a unique series of numbers that identifies it to a specific manufacturer and product. The Parisien Affidavit attests that the UPC codes are part of the GS1 identification system, which is widely used in Canada and internationally for goods sold in stores. MarketTrack only contains data from 2010 until present. However, the Parisien Affidavit reveals that MarketTrack has not found any sales of “cookies” or “biscuits” associated with 116 Inc. since 2010.

[23] 116 Inc. argues that the Parisien Affidavit and the data collected by MarketTrack is irrelevant as it postdates the material date, has no probative value, is prejudicial to 116 Inc., and constitutes hearsay. 116 Inc. further argues that there is no indication that Mr. Parisien conducted the attached research. Having resolved the issue of evidence postdating the material date, I would note that the fact that MarketTrack only collects data from 2010 is beyond Metro’s control. Had data been available for the years preceding 2010, the situation may well have been different. It is clear that the absence of use of the Mark since 2010 in association with “cookies” or “biscuits” is relevant and sufficiently probative. I disagree that the evidence is prejudicial to 116 Inc. and refuse to use my discretion to discard it. Further, the Parisien Affidavit being uncontroverted, 116 Inc. cannot now suggest that Mr. Parisien has not conducted the research when it could have cross-examined the affiant, but declined to do so. I also disagree with 116 Inc. that the sales figures derived from Nielson’s database constitute inadmissible hearsay. I accept that the data from Nielson satisfies the best evidence rule regarding electronic documents (see *Canada Evidence Act*, RSC 1985, c C-5, ss 31.1-31.8) [*Canada Evidence Act*]. I further accept that the document is admissible as it is a business record made in the usual and ordinary course of

business pursuant to section 30 of the *Canada Evidence Act*. Finally, the mere fact that 116 Inc. has adduced evidence of sales under the general class of “candy and snacks” in the Singh Affidavit has no bearing on the admissibility of Metro’s evidence.

(3) Denis Gendron

[24] Metro further filed the affidavit of Mr. Denis Gendron [Gendron Affidavit], who is the president of United Grocers Inc. [UGI]. In his affidavit, Mr. Gendron explains that he was personally given by Mr. Sam Singh (the affiant of the Singh Affidavit) two catalogs featuring 116 Inc.’s products so that Mr. Gendron may provide them to UGI’s members for future business purposes. The catalogs are entitled “Product Catalogue 2016” and “Product Catalogue”.

[25] 116 Inc. argues that the Gendron Affidavit is irrelevant and would not have had any impact on the Registrar of Trade-marks’ Decision. I disagree. While the Gendron Affidavit postdates the material date, it is nevertheless relevant. Moreover, it is more probative than the Singh Affidavit itself as the nature of a product catalog suggests that it would be more likely to contain all of 116 Inc.’s products sold at the time the catalog was made.

(4) N. Arthur Smith

[26] Metro’s final piece of evidence is the affidavit of Mr. N. Arthur Smith [Smith Affidavit], the Chief Executive Officer of GS1 Canada Inc. [GS1 Canada]. In his affidavit, Mr. Smith attests that Metro requested a list generated from GS1 Canada’s database of all the products and

suppliers associated either with One Better Inc. or with UPC codes featuring two company prefixes [company Codes] associated with 116 Inc.. The search identified S/M Enterprises as the sole entity registered with GS1 Canada associated with the company Codes. From the search, a list of all products associated with the company Codes from July 2007 to January 2016 was generated. The list does not mention “cookies and biscuits”.

[27] 116 Inc. argues that in addition to postdating the material date, the Smith Affidavit is prejudicial, without probative value, and should be struck or given no weight. I disagree for substantially the same reasons provided regarding the Parisien Affidavit. Moreover, I note that the GS1 Canada database did not contain data dating back to the material date, through no fault of Metro. Had the database also contained data from February to July 2007, this may have indicated that Metro had not provided the best evidence it could obtain. However, that is not the case here.

VI. Standard of Review

[28] Appeals pursuant to section 56 of the *Act* are reviewable on a standard of reasonableness unless new evidence filed pursuant to subsection 56(5) of the *Act* would have materially affected the Registrar’s finding of fact or exercise of discretion, in which case the trial judge must come to his or her own conclusion as to the correctness of the Registrar’s decision (*Pfizer Products Inc v Canadian Generic Pharmaceutical Association*, 2015 FC 493 at para 140 [*Pfizer*]; *Molson Breweries, A Partnership v John Labatt Ltd*, [2000] 3 FC 145, 5 CPR (4th) 180 at para 29

(FCTD)). In order to have a material effect, the new evidence must be substantial and significant, the test being one of quality, not quantity: *Pfizer* at para 140.

[29] In view of Metro's new evidence discussed above, I am satisfied that the new evidence tendered by Metro would have materially affected the Registrar's decision. The new evidence is not a repetition of the original evidence filed before the Registrar, but better evidence. That is not to say that the evidence tendered by Metro is perfect, but I believe it would have changed the TMOB's conclusion on whether Metro had satisfied its initial evidential onus with regards to its subsection 30(b) ground of opposition. I must therefore come to my own conclusion as to the correctness of the Registrar's Decision.

[30] Metro submits that I should, however, review the TMOB's decision regarding 116 Inc.'s interlocutory request that the Registrar strike and reject the statement of opposition on a reasonableness standard. In its submissions, 116 Inc. argues that the interlocutory ruling by the Registrar is "incorrect", which I take it to mean that 116 Inc. would apply a correctness standard. 116 Inc. cites no authority in support of a correctness standard of review.

[31] This Court has consistently held that a correctness standard of review should only apply to those findings of fact which the new evidence materially affects, while other unrelated issues on appeal remain subject to a reasonableness standard of review (*Worldwide Diamond Trademarks Limited v Canadian Jewellers Association*, 2010 FC 309 at para 43, aff'd 2010 FCA

326, citing *Garbo Creations Inc v Harriet Brown & Co* (1999), 176 FTR 80 (FCTD). See also *Community Credit Union Ltd v Canada (Registrar of Trade Marks)*, 2006 FC 1119 at para 14).

[32] I agree that questions of fact and of mixed fact and law are reviewable on a reasonableness standard. As for questions of law, the presumption is that a tribunal's interpretation of its home statute is reviewable on a standard of reasonableness. Writing for the Supreme Court of Canada in *Rogers Communications Inc v Society of Composers, Authors and Music Publishers of Canada*, 2012 SCC 35 at para 19 [*Rogers*], Justice Rothstein held that this presumption can be rebutted where Parliament has indicated a contrary intention by conferring concurrent jurisdiction at first instance to both an administrative tribunal and a court:

I wish to be clear that the statutory scheme under which both a tribunal and a court may decide the same legal question at first instance is quite unlike the scheme under which the vast majority of judicial reviews arises. Concurrent jurisdiction at first instance seems to appear only under intellectual property statutes where Parliament has preserved dual jurisdiction between the tribunals and the courts. However, I leave the determination of the appropriate standard of review of a tribunal decision under other intellectual property statutes for a case in which it arises. Nothing in these reasons should be taken as departing from *Dunsmuir* and its progeny as to the presumptively deferential approach to the review of questions of law decided by tribunals involving their home statute or statutes closely connected to their function.

[33] The Supreme Court in *Rogers* held that the Federal Court of Appeal and the Copyright Board had concurrent jurisdiction at first instance in matters relating to the certification of tariffs for communication rights. Thus, the Copyright Board's interpretation of its own statute was reviewable on a correctness standard.

[34] Recently, Justice Russell of the Federal Court in conducted a *Dunsmuir*-type analysis to determine the proper standard of review with regards to the TMOB's interpretation of the *Trade-marks Act* and concluded:

A consideration of the factors leads me to conclude that the presumption has been rebutted. The Act explicitly provides for an appeal to the Federal Court in which new evidence may be heard and the Federal Court is permitted to exercise any discretion vested in the Registrar. In my view, these provisions rebut any presumption that the legislature expected the Board to have greater expertise in trade-mark matters than the Federal Court. Further, the nature of the question is the interpretation of "distinctiveness." The Board interpreted "distinctiveness" by reference to Federal Court and Federal Court of Appeal jurisprudence. The Board has no expertise over the Federal Court in interpreting case law. The Board's determinations of law will be reviewed on a standard of correctness. (*Pfizer* at para 149)

[35] I agree with Justice Russel's above reasoning. The Court notes that it has concurrent jurisdiction with the TMOB with regards to the interpretation of subsection 30(b) of the *Act* in the context of appeals pursuant to section 56 of the *Act*. I will therefore review the TMOB's determinations of law and interpretation of the *Act* on a correctness standard. However, unless I can extricate a clear question of law from a mixed question of fact and law, I shall apply the reasonableness standard to such questions.

VII. Issues

1. Was the TMOB's decision not to strike the statement of opposition reasonable?

2. Has 116 Inc. used the Mark in association with “cookies and biscuits” since at least as early as the claimed date of first use?
3. Does the Court, in exercising the discretion vested in the Registrar of Trade-marks, have jurisdiction to issue a “split” decision pursuant to subsection 38(8) of the *Act*?

VIII. Analysis

B. *Was the TMOB’s decision not to strike the statement of opposition reasonable?*

[36] Whether subsection 30(b) of the *Act* merely requires 116 Inc. to prove use of the Mark in association with the “general class” of candy and snacks as opposed to in association with each individually named specific goods, namely cookies and biscuits, is a mixed question of fact and law. The Registrar’s conclusion that “the application is not for wares of one general class but for individually named specific wares” is a mixed finding of fact and law. It must therefore be reviewed on a standard of reasonableness.

(1) Position of the parties

[37] 116 Inc. submits that the test pursuant to subsection 30(b) “merely requires that an [a]pplicant prove use in association with the general class of wares and not with each product listed in an application for registration”. Consequently, 116 Inc. believes it satisfies the use requirement under subsection 30(b) of the *Act* merely by proving use of the Mark in association

with the “general class” of candy and snacks, as opposed to use in association with the specific goods “cookies and biscuits”.

[38] 116 Inc. makes the following arguments in its Memorandum of Fact and Law:

- (a) Subsection 30(b) of the *Act* is explicit in that only the use in association with the general class of goods or services described in the application needs be proven (Respondent’s Memorandum of Fact and Law, para 42).

- (b) The interlocutory ruling was contrary to the practice before the Trade-marks Office, the *CIPO Examination Manual* [*Examination Manual*], and the *CIPO Goods and Services Manual* [*Goods and Services Manual*] at the time of the decision and subsequently. Because the goods in the statement of goods aren’t separated by semi-colons (i.e. “candy and snacks, namely candy bars, [...], cookies and biscuits”), the Goods were not meant to be claimed individually but rather under the general “candy and snack” class which falls within Class 30 of the Nice Classification. In support of its argument before the Hearing Officer, 116 Inc. cited the TMOB decision in *Pronuptia de Paris v Pronovias*, 2007 CanLII 80847, [2007] TMOB No 63 (QL) [*Pronuptia* cited to QL] (Respondent’s Memorandum of Fact and Law, paras 42-43).

- (c) To prove use in association with each of the listed goods isn’t in accordance with the *Act* which expressly permits applications to be amended before and after

advertisement, subject to sections 31 and 32 of the *Trade-marks Regulations*, SOR/96-195 [*Regulations*] (Respondent's Memorandum of Fact and Law, para 41).

[39] Metro argues that the Registrar's conclusion is that the TM Application was not for goods of one general class (i.e. candy and snacks), but for individually named specific goods, namely cookies and biscuits. As such, 116 Inc. needs to show use for each individually named specific Goods, including use in association with cookies and biscuits. Metro further argues that even if the TM Application was for general classes of goods, 116 Inc. would still need to show use of the Mark in association with all the Goods in the TM Application.

[40] For the reasons that follow, I find that the Registrar's decision is reasonable.

- (2) The Registrar's conclusion that the TM Application is for specific goods is reasonable

[41] Even though the Hearing Officer does not address each of 116 Inc.'s above-mentioned concerns specifically, his decision not to interfere with the Registrar's interlocutory ruling is nevertheless reasonable. Below, I review the Hearing Officer's reasons and, where appropriate, supplement them to address some of the concerns raised by 116 Inc. which were not specifically addressed in the Hearing Officer's reasons.

- (a) *Subsection 30(b): “used the trade-mark in association with each of the general classes of goods or services”*

[42] Section 30(b) of the *Act* reads as follows:

Contents of application

30 An applicant for the registration of a trade-mark shall file with the Registrar an application containing

[...]

(b) in the case of a trade-mark that has been used in Canada, the date from which the applicant or his named predecessors in title, if any, have so used the trade-mark in association with each of the general classes of goods or services described in the application;

[emphasis added]

Contenu d’une demande

30 Quiconque sollicite l’enregistrement d’une marque de commerce produit au bureau du registraire une demande renfermant :

[...]

b) dans le cas d’une marque de commerce qui a été employée au Canada, la date à compter de laquelle le requérant ou ses prédécesseurs en titre désignés, le cas échéant, ont ainsi employé la marque de commerce en liaison avec chacune des catégories générales de produits ou services décrites dans la demande;

[Non-souligné dans l’original.]

[43] I agree with 116 Inc. that a plain reading of subsection 30(b) of the *Act* appears to only require that the trade-mark applicant file an application containing the date of first use for “each of the general classes of goods or services described in the application”. This is also corroborated in section II.7.1 of the *Examination Manual* (“Applications Based on Use in Canada — Subsection 16(1) and Paragraph 30(b)”). Neither the Registrar’s interlocutory ruling nor the Hearing Officer’s Decision however suggests that this was misunderstood. Indeed, they both

focused their respective analysis on whether the TM Application was for goods of a general class or for individually named specific goods.

(b) *Trade-marks Office's practice*

[44] Though the interlocutory decision and the Hearing Officer's Decision may not have specifically relied on the *Examination Manual* and the *Goods and Services Manual*, I disagree that the interlocutory ruling was contrary to practice before the Trade-marks Office. It is however noteworthy that these manuals, though useful, do not have legislative authority, and are not intended to, nor can they supersede the provisions of the *Act* (*Ontario Dental Assistants Association v Canadian Dental Association*, 2013 FC 266 at para 24; *Wordex Inc v Wordex*, [1983] 2 FC 570, 70 CPR (2d) 28 at 31).

[45] First, to the extent 116 Inc. equates "general classes of goods" to classes for goods under the Nice classification system, I disagree as there is no basis to this argument. Though it is currently acceptable for goods and services in a trade-mark application or registration to be grouped and classed according to the classes of the Nice Classification, there is no legislation in force requiring trade-mark owners or applicants to refer to Nice classes.

[46] Second, the Registrar reasonably distinguished the decision of the TMOB in *Pronuptia* by concluding that it did not address whether individually named specific goods separated by commas after "namely" in a statement of goods form part of a general class of goods. Indeed, Member Carrière in *Pronuptia* determined that by using a semi colon to separate a good from

other goods in an application, the applicant had clearly indicated that it considered the other goods as a separate general class of goods.

[47] Third, both the Registrar's ruling and the *Pronuptia* decision are both consistent with the Trade-marks Office practice. Section II.5.4.2 ("Context of the Goods and Services") of the *Examination Manual* explains that "the context of a statement of goods or services may serve to specify an otherwise unacceptable statement of goods or services." The *Examination Manual* provides the following example:

For example, "cases" alone are not acceptable as they could include any type of "cases" from camera cases to pillowcases. However, in an application for "cameras, tripods, and cases", the goods "cases" would be acceptable as it is clear from the context that the "cases" would be restricted to camera cases. Similarly "delivery" services alone is not acceptable as the service could include any type of delivery from flower delivery to furniture delivery.

[48] "Candy and snacks" are generic terms that take their sense from their context in the application, seeing as snacks are generally understood to mean any small portion of food or drink consumed between meals. As emphasized by Metro during the hearing, it is not uncommon for identical trade-marks to coexist in the food industry when they relate to intrinsically different goods (see e.g. *Edelweiss Food Products Inc / Aliments Edelweiss Inc v World's Finest Chocolate Canada Ltd* (2000), 5 CPR (4th) 256 (TMOB) (meat and chocolate). See also *Clorox Co v Sears Canada Inc*, [1992] 2 FC 579, 41 CPR (3d) 483 (FCTD), aff'd 49 CPR (3d) 217 (FCA) (fruit cake and barbecue sauce)). Therefore, the Registrar's conclusion that "the application is not for wares of one general class but for individually named specific wares" is in

my view clearly reasonable seeing as the phrase “candy and snacks” – on its own – likely would not have been an acceptable category of goods without being further specified. As the *Examination Manual* States, “[g]oods and services that require further specification may be specified using the definite terms “namely”, “consisting of” or “specifically”, which appears to be what 116 Inc. has done in its TM Application to further specify “candy and snacks”. To conclude otherwise would allow 116 Inc. to obtain a trade-mark monopoly over the Mark beyond the scope of protection necessary to protect the public from confusion.

[49] Section II.5.4.2 of the *Examination Manual* also notes the following:

Goods or services which are separated by semi-colons (;) are generally considered to stand on their own and therefore must meet the requirements of paragraph 30(a) of the *Trade-marks Act* without regard to the other listed goods or services.

[50] The above note is merely an exception to the general rule, that an otherwise unacceptable description of good may be acceptable if the goods listed before or after it serve to qualify the good – i.e. goods which are separated by semi-colons are generally considered not to qualify each other.

[51] Therefore, neither *Pronuptia* nor the note in reference to semi-colons in section II.5.4.2 of the *Examination Manual* addresses whether individually named specific goods separated by commas after “namely” in a statement of goods form part of a general class of goods.

[52] The Registrar relied on the TMOB decisions *MAPA GmbH v 2956-2691 Quebec Inc*, 2013 TMOB 22 [MAPA] and *Sky Solar Holdings Co, Ltd v Skypower Global*, 2014 TMOB 262 [Sky Solar] as examples where the TMOB “determined that an applicant had failed to substantiate a claimed date of first use for some of the applied for goods or services in a statement of goods or services appearing to fall in the same general class, notwithstanding the fact that use has been shown with other goods or services in a statement that includes the term ‘namely’”.

(c) *Post-advertisement amendments are irrelevant*

[53] The Court agrees that the *Act* allows an applicant to amend his or her trade-mark application before and after advertisement, subject to sections 31 and 32 of the *Regulations*. However, the Court fails to see how this argument is helpful to 116 Inc.

(d) *Conclusion*

[54] In view of the above, the Registrar’s decision was reasonable. Even on a standard of correctness, I would have arrived at the same conclusion as the Hearing Officer. Even if the TM Application had been for the general category of “candy and snacks”, 116 Inc. would still, for the following reasons, have needed to show use of the Mark in association with each of the goods listed in the TM Application.

- (3) Subsection 30(b) requires that the trade-mark have been used in association with each specific good or service listed in the application

[55] Metro has argued that – though subsection 30(b) of the *Act* does not require an applicant to provide a date of first use for each specific good or service in a trade-mark application – every good or service listed in the application must nevertheless have been used to satisfy the requirement of subsection 30(b) of the *Act*. This being a question of statutory interpretation, it is now trite law that “[t]he modern approach to statutory interpretation requires that we examine the “words of an Act ... in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament” (*Canadian Broadcasting Corp v SODRAC 2003 Inc*, 2015 SCC 57 at para 48, citing Elmer A Driedger, *Construction of Statutes*, 2nd ed (Toronto: Butterworths, 1983) at 87, approved and adopted in *Rizzo & Rizzo Shoes Ltd, Re*, [1998] 1 SCR 27 at para 21 (SCC)).

(a) *The words of subsection 30(b) of the Act*

[56] Subsection 30(b) of the *Act* reveals two requirements: (1) that the trade-mark application be for a trade-mark that has been used in Canada; and (2) that the application contain the date of first use for each of the general classes of goods or services described in the application. These requirements are readily apparent from a plain reading of subsection 30(b):

Contents of application

30 An applicant for the registration of a trade-mark shall file with the Registrar an application containing

Contenu d’une demande

30 Quiconque sollicite l’enregistrement d’une marque de commerce produit au bureau du registraire une demande renfermant :

[...]

(b) in the case of a trade-mark that has been used in Canada, the date from which the applicant or his named predecessors in title, if any, have so used the trade-mark in association with each of the general classes of goods or services described in the application;

[emphasis added]

[...]

b) dans le cas d'une marque de commerce qui a été employée au Canada, la date à compter de laquelle le requérant ou ses prédécesseurs en titre désignés, le cas échéant, ont ainsi employé la marque de commerce en liaison avec chacune des catégories générales de produits ou services décrites dans la demande;

[Non souligné dans l'original.]

[57] The *Act* is clear that only a date of first use of the Mark in association with each general class of goods or services must be provided – i.e. the second requirement. However, an ambiguity remains with regards to the first requirement: does the *Act*'s first requirement that the application be based on use of the trade-mark in Canada imply that all goods in the application must have been used as of the relevant date? For the reasons that follow, the Court must answer this question in the affirmative.

(b) *The context of the Act*

[58] Section 30 of the *Act* generally sets out the information that must be included in a trade-mark application. Non-compliance with section 30 is both a ground of opposition and a ground for an initial examiner's rejection of an application for registration. When filing an application to register a trade-mark in Canada, there are numerous grounds upon which the application may be based, namely: (1) prior use of the trade-mark in Canada; (2) prior making known of the trade-

mark in Canada; (3) registration (or application for registration) of a trade-mark used in a country of the Union; and (4) proposed use of the trade-mark in Canada. These grounds for registration are reflected in subsections 30(b), 30(c), 30(d) and 30(e) of the *Act*, respectively:

Contents of application

30 An applicant for the registration of a trade-mark shall file with the Registrar an application containing

[...]

(b) in the case of a trade-mark that has been used in Canada, the date from which the applicant or his named predecessors in title, if any, have so used the trade-mark in association with each of the general classes of goods or services described in the application;

(c) in the case of a trade-mark that has not been used in Canada but is made known in Canada, the name of a country of the Union in which it has been used by the applicant or his named predecessors in title, if any, and the date from and the manner in which the applicant or named predecessors in title have made it known in Canada in association with each of the general classes of goods or services described in the application;

(d) in the case of a trade-mark

Contenu d'une demande

30 Quiconque sollicite l'enregistrement d'une marque de commerce produit au bureau du registraire une demande renfermant :

[...]

b) dans le cas d'une marque de commerce qui a été employée au Canada, la date à compter de laquelle le requérant ou ses prédécesseurs en titre désignés, le cas échéant, ont ainsi employé la marque de commerce en liaison avec chacune des catégories générales de produits ou services décrites dans la demande;

c) dans le cas d'une marque de commerce qui n'a pas été employée au Canada mais qui est révélée au Canada, le nom d'un pays de l'Union dans lequel elle a été employée par le requérant ou ses prédécesseurs en titre désignés, le cas échéant, et la date à compter de laquelle le requérant ou ses prédécesseurs l'ont fait connaître au Canada en liaison avec chacune des catégories générales de produits ou services décrites dans la demande, ainsi que la manière dont ils l'ont révélée;

d) dans le cas d'une marque de

that is the subject in or for another country of the Union of a registration or an application for registration by the applicant or the applicant's named predecessor in title on which the applicant bases the applicant's right to registration, particulars of the application or registration and, if the trade-mark has neither been used in Canada nor made known in Canada, the name of a country in which the trade-mark has been used by the applicant or the applicant's named predecessor in title, if any, in association with each of the general classes of goods or services described in the application;

(e) in the case of a proposed trade-mark, a statement that the applicant, by itself or through a licensee, or by itself and through a licensee, intends to use the trademark in Canada;

[emphasis added]

commerce qui est, dans un autre pays de l'Union, ou pour un autre pays de l'Union, l'objet, de la part du requérant ou de son prédécesseur en titre désigné, d'un enregistrement ou d'une demande d'enregistrement sur quoi le requérant fonde son droit à l'enregistrement, les détails de cette demande ou de cet enregistrement et, si la marque n'a été ni employée ni révélée au Canada, le nom d'un pays où le requérant ou son prédécesseur en titre désigné, le cas échéant, l'a employée en liaison avec chacune des catégories générales de produits ou services décrites dans la demande;

e) dans le cas d'une marque de commerce projetée, une déclaration portant que le requérant a l'intention de l'employer, au Canada, lui-même ou par l'entremise d'un licencié, ou lui-même et par l'entremise d'un licencié;

[Non souligné dans l'original.]

[59] If 116 Inc. was to be permitted to register the Mark in association with a general class of goods, regardless of whether it has used the Mark in association with all of the goods listed within the general class, an absurd result would ensue: 116 Inc. would in fact be receiving a certificate of registration for the Mark on the basis of prior use without having actually used the Mark in association with some of the listed goods. By doing so, 116 Inc. would be avoiding the need to file a declaration of use (section 40(2) of the *Act*) for those particular goods, as it would

have been required to do if it had applied for the registration of the Mark on the basis of proposed use.

[60] The law cannot reasonably be interpreted in a way that would allow 116 Inc. to circumvent the fundamental requirement of use. Without use, trade-mark rights do not exist. 116 Inc. cannot exploit section 30(b) of the *Act* in a way that would frustrate the underlying logic of the trade-mark registration bases scheme.

(c) *Conclusion*

[61] It is the Court's view that while subsection 30(b) of the *Act* merely requires that a date of first use be provided with regards to each general class of goods or services, the applied for trade-mark must nevertheless have been used in association with each of the specific goods or services identified in the general class prior to the applicant's filing date. However, the date of first use with respect to each of the specific goods in the general class may vary. This is consistent with the TMOB's reasoning in *Parfums Christian Dior v Lander Co Canada Ltd*, 6 CPR (4th) 257 at 266, where it stated the following:

However, since the applicant has claimed that its mark has been used in association with the general class of wares, the trade-mark FASCINATION must have been used in association with each of the specific wares identified in the general class prior to the applicant's filing date although the date(s) when such use commenced with respect to each of the specific wares in the general class may vary [see in this regard, *McCarthy Tétrault v. Hilary's Distribution Ltd.*, 67 C.P.R. (3d) 279, at p.284]. Moreover, as noted above, such use of the trade-mark FASCINATION in association with each of the specific wares in the general class must also have been continuous 'use' in the normal course of trade.

[emphasis added]

C. *Has 116 Inc. used the Mark in association with “cookies and biscuits” since at least as early as the claimed date of first use?*

(1) Onus

[62] There are two separate onuses to bear in mind.

[63] First, Metro (opponent) bears the initial evidential onus (often called the burden of production or presentation) to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support the ground of opposition exist. For the reasons stated by Justice Rennie in *Bacardi* at paragraph 29 (cited in this decision at para 15), I agree with Metro that the initial burden on the opponent is a light one (*Bacardi* at para 30; *Distrimed Inc c Richards Packaging Inc*, 2012 TMOB 199 at para 25. See also *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 at 299 (FCTD) [*John Labatt*]).

[64] Second, once the initial evidential onus has been satisfied, the burden shifts to 116 Inc. who bears the legal onus (often called burden of persuasion) of establishing, on a balance of probabilities, that its trade-mark application complies with the requirements of the *Act* (*MAPA* at para 7; *John Labatt* at 299-300; *Dion Neckwear Ltd v Christian Dior SA*, 2002 FCA 29). The presence of such an onus means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against 116 Inc. (*John Labatt* at 300).

(2) Subsection 30(b) of the *Act*

[65] I find that Metro's new evidence on appeal is sufficient to satisfy its initial evidential onus. Bearing in mind Justice Rennie's comments in *Bacardi* regarding the problems associated with such a burden of proof, I am not only satisfied that Metro has made significant efforts to amass the best evidence it could, but also that Metro's newly tendered evidence can reasonably lead to the conclusion that, at the relevant date, 116 Inc. had not used the Mark.

[66] The burden of proof consequently falls on 116 Inc., who must show, on a balance of probability, that it has used the Mark as of the relevant date. Having filed no evidence of use of the Mark, 116 Inc. has not satisfied me that it has used the Mark since as early as August 2001, nor at any time since.

(3) Respondent's Allegations of Frivolous and Vexatious Application by the Opponent

[67] 116 Inc. alleges that Metro's opposition and subsequent appeal relating to the TM Application is frivolous and vexatious. In light of my above findings, this accusation is without merit.

[68] 116 Inc. also alleges a number of wrongdoings by Metro relating to 116 Inc.'s alleged rights in the trade-mark IRRESISTIBLES, including *inter alia* misappropriation of 116 Inc.'s Mark, creating reverse confusion, acting in bad faith, and misleading the Registrar, the TMOB

and the Courts. Comparing itself to David (in the mythical story of David against Goliath), 116 Inc. argues that Metro (Goliath) has used its dominant market position to frustrate the legitimate senior trade-mark rights of 116 Inc.

[69] Beyond being baseless accusations, such matters are wholly extraneous to the present appeal from the TMOB Decision which relates to 116 Inc.'s right to register the Mark. Metro has opposed the registration of the Mark based on non-compliance with subsection 30(b) of the *Act*, which is entirely irrelevant to any use of any trade-mark by Metro. If 116 Inc. claims rights to the Mark in association with "cookies and biscuits", then it should have filed evidence to substantiate its claim. It chose not to do so and must now accept the ensuing consequences.

D. *Does the Court, in exercising the discretion vested in the Registrar of Trade-marks, have jurisdiction to issue a "split" decision pursuant to subsection 38(8) of the Act?*

(1) Background

[70] Despite the quasi-absence of written submissions on the matter, the issue of the jurisdiction of the Registrar to issue "split" decisions became a live issue between the parties at the hearing. A split decision in the context of an opposition is generally understood to result in an application being accepted for certain goods and/or services and refused for others (*SanDisk Corp v UC Mobile Co*, 2016 TMOB 148 at para 58 [*SanDisk*]). On appeal before this Court, Metro argued that the TM Application should be refused only in so far as "cookies and biscuits" are concerned, citing the decision of *Produits Ménagers Coronet Inc v Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 CPR (3d) 482 (FCTD) [*Coronet*] as authority for the Registrar's

jurisdiction pursuant to subsection 38(8) of the *Act* to issue such a split decision. Conversely, 116 Inc. argued that the Registrar – and therefore the Court in exercising the Registrar’s discretion on appeal – has no such jurisdiction.

[71] The Court notes that it is particularly odd for a trade-mark applicant to argue, as 116 Inc. has, that “after considering the evidence and argument, the Registrar is under a positive obligation to do one of two mutually exclusive things: refuse the application in its entirety; or reject the opposition in its entirety.” This position is most-often argued by opponents because the logical conclusion flowing from such an argument is that if a ground of opposition is successful with regards to any good or service, the only decision the Registrar can issue is one in which the entire trade-mark application is refused. This was in fact the position argued by the opponent in *Coronet*. In the present matter, having concluded that section 30(b) of the *Act* required 116 Inc. to have used the mark in association with all of its specific goods, namely “cookies & biscuits”, the Court must decide if 116 Inc.’s entire TM Application should be refused. Strangely, it is Metro who argues that the Court should save part of 116 Inc.’s TM Application.

[72] The TMOB rejected the opposition in its entirety, and therefore did not need to consider whether it could issue a split decision. However, having concluded that 116 Inc. has failed to prove use of the Mark in association with cookies and biscuits, the Court must now determine whether it can refuse the TM Application in part or if it must refuse it in its entirety. The Federal Court being a statutory court without inherent jurisdiction, it must satisfy itself of its jurisdiction even if the issue hasn’t been raised or properly addressed by the parties (*Chavali v Canada*, 2001 FCT 268 at para 6, *aff’d* 2002 FCA 209; *Elders of Mitchikinabikok Inik (Algonquin of Barriere*

Lake) v Algonquins of Barriere Lake Customary Council, 2010 FC 160 at para 96; *Devil's Gap Cottagers (1982) Ltd v Rat Portage Band No 38B*, 2008 FC 812 at para 26). Consequently, the Court directed the parties to provide further and fuller written submissions on this specific issue.

(2) Judicial comity

[73] Whether the Registrar has the jurisdiction to issue split decisions is a question of law that appears to have been answered by this Court in *Coronet*. The TMOB has consistently relied on this decision for over 30 years as authority to issue “split decisions” in over a hundred cases (see e.g. *Sky Solar* at para 70; *SanDisk* at paras 58-61; *Spin Master Ltd v George & Co, LLC*, 2015 TMOB 159 at para 96).

[74] As a matter of comity, it would appear that I should follow the *Coronet* decision. As Justice Mactavish rightly pointed out in *Haqi v Canada (Public Safety and Emergency Preparedness)*, 2014 FC 1246 at para 48:

Under principles of *stare decisis*, judges of one Court are not bound by decisions of members of their own Court. However, in accordance with the principle of judicial comity, judges should follow the decisions of their colleagues involving the interpretation of statutory provisions unless there is good reason to depart from a prior decision.

[75] As stated by the Court of Appeal in *Allergan Inc v Canada (Minister of Health)*, 2012 FCA 308 at paras 48:

the general view appears to be that the conclusions of law of a Federal Court judge will not be departed from by another judge unless he or she is convinced that the departure is necessary and can articulate cogent reasons for doing so. On this test, departures should be rare.

[76] However, I agree with 116 Inc. that no decision appears to have undertaken a textual, contextual, or purposive analysis of subsection 38(8) of the *Act* to determine whether it confers upon the Registrar the jurisdiction to issue split decisions. This, in my view, is a sufficient reason to revisit the question and to determine whether there is good reason to depart from the *Coronet* decision.

(3) Analysis

[77] Whether subsection 38(8) of the *Act* permits the Registrar to issue split decisions is a question of statutory interpretation. The modern approach, as discussed above, requires that I examine the words of the *Act* in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the *Act*, the object of the *Act*, and the intention of Parliament.

(a) *The wording of subsection 38(8) is ambiguous*

[78] Subsection 38(8) of the *Act* reads with my emphasis, as follows:

Decision

(8) After considering the evidence and representations of the opponent and the applicant, the Registrar shall refuse the

Décision

(8) Après avoir examiné la preuve et les observations des parties, le registraire repousse la demande ou rejette l'opposition et notifie aux

application or reject the opposition and notify the parties of the decision and the reasons for the decision.

parties sa décision ainsi que ses motifs.

[emphasis added]

[non souligné dans l'original]

[79] 116 Inc. argues that after considering the matter pursuant to section 38(8) of the Act, “the Registrar is under a positive obligation to do one of two mutually exclusive things: refuse the application in its entirety, or reject the opposition in its entirety [emphasis added].” This submission demonstrates that for the provision to be unambiguous, as argued by 116 Inc., additional words implying the “entirety” of the result are required. These words are not in the provision, just as the phrase “in part” is similarly not included to explicitly authorize the Registrar to render a decision that only partially refuses the application.

(b) *The context of the Act is not particularly helpful*

[80] 116 Inc. submits that the *Act* contains express provisions permitting the Registrar to issue split decisions in other contexts (citing sections 45 and 48 of the *Act*). For example, section 45 of the *Act* specifically allows for registrations to be expunged or to be amended. However, given that s. 45 expungements occurred after registration of a mark, this section is not truly helpful in interpreting subsection 38(8). The same can be said of section 48. The context of the *Act* is therefore not particularly useful and is superseded by the prevailing object of the *Act*, which is to attain a balance between free competition and fair competition, as discussed below.

- (c) *One of the objects of the Act is the balance between free competition and fair competition*

[81] The predecessor statute to the current *Trade-marks Act* was the *Unfair Competition Act*, RSC 1952, c 274, whose purpose was “to bring some semblance of order in the market-place and to codify or structure in statute form the rights, duties and privileges of intellectual property owners at common law. Its whole thrust is to promote and regulate the lawful use of the trade marks” (*McCabe v Yamamoto & Co (America)*, [1989] 3 FC 290 at para 29).

[82] Though the current *Act* does not have an object clause, it can reasonably be said that the *Act* is to be interpreted as continuing the policy and purpose of its predecessor (*ibid*). This is in accordance with the Supreme Court of Canada’s decision *Mattel Inc, v 3894207 Canada Inc*, 2006 SCC 22 at para 21, where the Court stated that “[t]rade-mark law rests on principles of fair dealing. It is sometimes said to hold the balance between free competition and fair competition” [emphasis added].

[83] The jurisdiction to issue split decisions allows the Registrar to maintain a proper balance between free competition and fair competition. The rejection of an opposition in its entirety, regardless of whether the objection was justified for some of the goods or services, would be unfair to the opponent. Conversely, the refusal of the application, regardless of whether some goods or services associated with the trade-mark should be registrable, would be unfair to the applicant. In either scenario, the public interest is not well served seeing as the former promotes unfair competition, and the latter stifles free competition.

[84] The object of the *Act* therefore favours an interpretation of subsection 38(8) of the *Act* which allows the Registrar or the Court to issue split decisions. Only through such an interpretation can the proper balance between free competition and fair competition be attained.

(d) *The Bill C-31 amendments are not indicative of Parliament's intent*

[85] Parliament has adopted amendments to the *Act* through Bill C-31 which are not yet in force. Notably, subsection 38(8) of the *Act* will be replaced by the proposed subsection 38(12), which reads as follows:

Decision

(12) After considering the evidence and representations of the opponent and the applicant, the Registrar shall refuse the application, reject the opposition, or refuse the application with respect to one or more of the goods or services specified in it and reject the opposition with respect to the others. He or she shall notify the parties of the decision and the reasons for it.

[emphasis added]

Décision

(12) Après avoir examiné la preuve et les observations des parties, le registraire rejette la demande, rejette l'opposition ou rejette la demande à l'égard de l'un ou plusieurs des produits ou services spécifiés dans celle-ci et rejette l'opposition à l'égard des autres. Il notifie aux parties sa décision motivée.

[mon emphase]

[86] 116 Inc. argues that proposed subsection 38(12) suggests that Parliament intended to provide a power to the Registrar which it does not have – i.e. the jurisdiction to issue split decisions. Conversely, Metro argues that in adopting subsection 38(12), Parliament intended to confirm the jurisdiction to issue split decisions, thereby affirming the *status quo* of more than 30

years of issuing split decisions in over a hundred cases. In the Court's view, the Bill C-31 amendments to the *Act* which are not yet in force neither support the position that the Registrar currently has jurisdiction to issue a "split decision" nor that it does. This *post hoc* reasoning is useless unless substantiated by further evidence of Parliament's intent in adopting the changes in the text of the *Act*. No such evidence was provided by the parties, and the Court is satisfied that, had such evidence been available, it would have been provided.

(e) *Policy reasons support the Registrar's jurisdiction to issue split decisions*

[87] There are compelling policy reasons supporting the Registrar's jurisdiction to issue split decisions. First, it is an unreasonable and unfair outcome that a partially successful opposition results in a complete refusal of the entire application. Second, split decisions prevent the perverse effect of encouraging inefficient practices.

- (i) It is unreasonable and unfair for a partially successful opposition to result in a complete refusal of the entire application

[88] The relevant wording of subsection 38(8) reads that the "Registrar shall refuse the application or reject the opposition" [emphasis added]. 116 Inc. argues that to refuse the application or reject the opposition constitutes two mutually exclusive outcomes, with which there is no disagreement, but that either must be done in their "entirety", which is an unreasonable and unfair interpretation of the provision.

[89] The wording of subsection 38(8) of the Act provides for what is described as an “either/or” outcome. By this is meant that choosing one option, eliminates the other; like the soup or salad choice on a restaurant menu. The concept behind a reasonable either/or option is that the outcomes are judged to be equivalent. The soup option is intended to replace the salad option on the restaurant menu as reasonably providing equal value for the customer’s money, where the decision relates to choosing appealing food to eat.

[90] The termination of the application that results from a decision that only extends to accepting or rejecting the opposition proceeding is an outcome that is not logically or reasonably connected to the decision. The argument is like saying that the choice of a glass of water provides the same value as that of a bowl of soup on food choice. There exists no rational connection between the decision on the trademark opposition relating to specific wares and its effect on wares not relevant to the decision. The either/or choice makes no sense if read literally as 116 Inc. argues. Taking into considerations the objectives of the Act, paragraph 38(8) must be interpreted to allow split decisions; any other conclusion would be unreasonable and unfair to the applicant.

- (ii) Split decisions prevent the perverse effect of encouraging inefficient practices thereby upholding one of the purposes of the *Act*

[91] The lack of logical connection between the decision and the extent of the prejudice that flows from striking the application by literally applying subsection 38(8) to “refuse the application”, results in unfairness to the applicant. As a matter of policy, and bearing in mind the

object of the Act, section 38(8) should not be interpreted by not providing for the issuance of split decisions. To conclude otherwise would be unreasonable and unfair to the applicant.

[92] It can be presumed that Parliament intended the trade-mark registration process to be as efficient as possible. I agree with Metro that refusing to recognise the Registrar's jurisdiction to issue split decisions would have the perverse effect of encouraging inefficient practices.

[93] If the application is refused, trade-mark applicants would again have to go through the entire trade-mark application process with a trade-mark application featuring a narrower statement of goods and services. Eventually, not permitting split decisions would likely impel trade-mark applicants to file several trade-mark applications instead of a single one to avoid the risk that an entire trade-mark application would be refused due to the applied-for mark being unregistrable with respect to a single good or service listed in the application. This would result in higher costs for both trade-mark applicants and the Trade-marks Office, as it would multiply the number of trade-mark applications and opposition proceedings, in addition to forcing the applicant to incur unnecessary delay and costs.

(f) *Coronet was correctly decided and is not distinguishable*

[94] As an alternative argument, 116 Inc. submits that *Coronet* is distinguishable from the present matter on the basis that the grounds of opposition were different and did not include a section 30 ground of opposition. 116 Inc.'s distinction between the present matter and the one in *Coronet* suggests that split decisions are *intra vires* of the Registrar only in respect of certain

grounds of opposition. I disagree. Section 38(8) of the *Act* makes no such distinction and applies to all oppositions, regardless of the ground of opposition raised.

[95] The object of the *Act* as well as the policy considerations discussed above are relevant to all opposition proceedings, regardless of the ground of opposition alleged. To refuse to acknowledge the Registrar's jurisdiction to issue a split decision would in all such cases be unreasonable, and result in an unfair outcome for the applicant.

[96] Such considerations were undoubtedly the underlying reasons at the core of Mr. Justice Teitelbaum's conclusion in *Coronet* that the Registrar has jurisdiction to issue split decisions. Accordingly, I conclude that *Coronet* was correctly decided.

(4) Conclusion

[97] On the basis of the aforementioned reasoning, I am in agreement with the decision of *Coronet* that the Registrar has the jurisdiction to issue split decisions pursuant to section 38(8) of the *Act*.

IX. Conclusion

In light of all of the above, the appeal is allowed with costs.

JUDGMENT FOR T-416-16

THIS COURT’S JUDGMENT is that:

1. The appeal is allowed.
2. The Decision of the Trade-marks Opposition Board is quashed.
3. Trade-mark application no. 1,333,541 is returned to the Trade-marks Office for further processing with the wares restricted to the following:

“candy and snacks, namely candy bars, chocolate bars, all sugar confectionary, peanut brittle, caramel bars, all gummi confectionary, chocolate confectionary, chocolate mints, assorted chocolate boxes, and marshmallow derivative candy”

4. The Applicant is entitled to costs to be paid by the Respondent.

"Peter Annis"

Judge

APPENDIX

The following sections of the *Trade-marks Act* are applicable.

Contents of application

30 An applicant for the registration of a trade-mark shall file with the Registrar an application containing

[...]

(b) in the case of a trade-mark that has been used in Canada, the date from which the applicant or his named predecessors in title, if any, have so used the trade-mark in association with each of the general classes of goods or services described in the application;

(c) in the case of a trade-mark that has not been used in Canada but is made known in Canada, the name of a country of the Union in which it has been used by the applicant or his named predecessors in title, if any, and the date from and the manner in which the applicant or named predecessors in title have made it known in Canada in association with each of the general classes of goods or services described in the application;

(d) in the case of a trade-mark that is the subject in or for another country of the Union of

Contenu d'une demande

30 Quiconque sollicite l'enregistrement d'une marque de commerce produit au bureau du registraire une demande renfermant :

[...]

b) dans le cas d'une marque de commerce qui a été employée au Canada, la date à compter de laquelle le requérant ou ses prédécesseurs en titre désignés, le cas échéant, ont ainsi employé la marque de commerce en liaison avec chacune des catégories générales de produits ou services décrites dans la demande;

c) dans le cas d'une marque de commerce qui n'a pas été employée au Canada mais qui est révélée au Canada, le nom d'un pays de l'Union dans lequel elle a été employée par le requérant ou ses prédécesseurs en titre désignés, le cas échéant, et la date à compter de laquelle le requérant ou ses prédécesseurs l'ont fait connaître au Canada en liaison avec chacune des catégories générales de produits ou services décrites dans la demande, ainsi que la manière dont ils l'ont révélée;

d) dans le cas d'une marque de commerce qui est, dans un autre pays de l'Union, ou pour un

a registration or an application for registration by the applicant or the applicant's named predecessor in title on which the applicant bases the applicant's right to registration, particulars of the application or registration and, if the trade-mark has neither been used in Canada nor made known in Canada, the name of a country in which the trade-mark has been used by the applicant or the applicant's named predecessor in title, if any, in association with each of the general classes of goods or services described in the application;

(e) in the case of a proposed trade-mark, a statement that the applicant, by itself or through a licensee, or by itself and through a licensee, intends to use the trademark in Canada;

[...]

Statement of opposition

38 (1) Within two months after the advertisement of an application for the registration of a trade-mark, any person may, on payment of the prescribed fee, file a statement of opposition with the Registrar.

Grounds

(2) A statement of opposition may be based on any of the following grounds:

autre pays de l'Union, l'objet, de la part du requérant ou de son prédécesseur en titre désigné, d'un enregistrement ou d'une demande d'enregistrement sur quoi le requérant fonde son droit à l'enregistrement, les détails de cette demande ou de cet enregistrement et, si la marque n'a été ni employée ni révélée au Canada, le nom d'un pays où le requérant ou son prédécesseur en titre désigné, le cas échéant, l'a employée en liaison avec chacune des catégories générales de produits ou services décrites dans la demande;

e) dans le cas d'une marque de commerce projetée, une déclaration portant que le requérant a l'intention de l'employer, au Canada, lui-même ou par l'entremise d'un licencié, ou lui-même et par l'entremise d'un licencié;

[...]

Déclaration d'opposition

38 (1) Toute personne peut, dans le délai de deux mois à compter de l'annonce de la demande, et sur paiement du droit prescrit, produire au bureau du registraire une déclaration d'opposition.

Motifs

(2) Cette opposition peut être fondée sur l'un des motifs suivants :

(a) that the application does not conform to the requirements of section 30;

a) la demande ne satisfait pas aux exigences de l'article 30;

(b) that the trade-mark is not registrable;

b) la marque de commerce n'est pas enregistrable;

(c) that the applicant is not the person entitled to registration of the trade-mark; or

c) le requérant n'est pas la personne ayant droit à l'enregistrement;

(d) that the trade-mark is not distinctive.

d) la marque de commerce n'est pas distinctive.

[...]

[...]

Decision

Décision

(8) After considering the evidence and representations of the opponent and the applicant, the Registrar shall refuse the application or reject the opposition and notify the parties of the decision and the reasons for the decision.

(8) Après avoir examiné la preuve et les observations des parties, le registraire repousse la demande ou rejette l'opposition et notifie aux parties sa décision ainsi que ses motifs.

Registrar may request evidence of user

Le registraire peut exiger une preuve d'emploi

45 (1) The Registrar may at any time and, at the written request made after three years from the date of the registration of a trade-mark by any person who pays the prescribed fee shall, unless the Registrar sees good reason to the contrary, give notice to the registered owner of the trade-mark requiring the registered owner to furnish within three months an affidavit or a statutory declaration showing, with respect to each of the goods or services specified in the registration, whether the trademark was in use in Canada at any time during the three year

45 (1) Le registraire peut, et doit sur demande écrite présentée après trois années à compter de la date de l'enregistrement d'une marque de commerce, par une personne qui verse les droits prescrits, à moins qu'il ne voie une raison valable à l'effet contraire, donner au propriétaire inscrit un avis lui enjoignant de fournir, dans les trois mois, un affidavit ou une déclaration solennelle indiquant, à l'égard de chacun des produits ou de chacun des services que spécifie l'enregistrement, si la marque de commerce a été employée au

period immediately preceding the date of the notice and, if not, the date when it was last so in use and the reason for the absence of such use since that date.

[...]

Effect of non-use

(3) Where, by reason of the evidence furnished to the Registrar or the failure to furnish any evidence, it appears to the Registrar that a trade-mark, either with respect to all of the goods or services specified in the registration or with respect to any of those goods or services, was not used in Canada at any time during the three year period immediately preceding the date of the notice and that the absence of use has not been due to special circumstances that excuse the absence of use, the registration of the trade-mark is liable to be expunged or amended accordingly.

Notice to owner

(4) When the Registrar reaches a decision whether or not the registration of a trade-mark ought to be expunged or amended, he shall give notice of his decision with the reasons therefor to the registered owner of the trademark and to the person at whose request the notice referred to in subsection (1) was given.

Canada à un moment quelconque au cours des trois ans précédant la date de l'avis et, dans la négative, la date où elle a été ainsi employée en dernier lieu et la raison de son défaut d'emploi depuis cette date.

[...]

Effet du non-usage

(3) Lorsqu'il apparaît au registraire, en raison de la preuve qui lui est fournie ou du défaut de fournir une telle preuve, que la marque de commerce, soit à l'égard de la totalité des produits ou services spécifiés dans l'enregistrement, soit à l'égard de l'un de ces produits ou de l'un de ces services, n'a été employée au Canada à aucun moment au cours des trois ans précédant la date de l'avis et que le défaut d'emploi n'a pas été attribuable à des circonstances spéciales qui le justifient, l'enregistrement de cette marque de commerce est susceptible de radiation ou de modification en conséquence.

Avis au propriétaire

(4) Lorsque le registraire décide ou non de radier ou de modifier l'enregistrement de la marque de commerce, il notifie sa décision, avec les motifs pertinents, au propriétaire inscrit de la marque de commerce et à la personne à la demande de qui l'avis visé au paragraphe (1) a été donné.

The following sections of the Trade-marks Examination Manual are relevant:

II.5.4.2 — Context of the Goods and Services

In some cases, the context of a statement of goods or services may serve to specify an otherwise unacceptable statement of goods or services. Goods or services may be acceptable when they are understood as being sufficiently specific in the context of the entire statement of goods or services.

For example, "cases" alone are not acceptable as they could include any type of "cases" from camera cases to pillowcases. However, in an application for "cameras, tripods, and cases", the goods "cases" would be acceptable as it is clear from the context that the "cases" would be restricted to camera cases. Similarly "delivery" services alone is not acceptable as the service could include any type of delivery from flower delivery to furniture delivery.

However, an application for "restaurant services" including the service "delivery" would be acceptable as the service would be understood to mean food delivery.

Note: Goods or services which are separated by semi-colons (;) are generally considered to stand on their own and therefore must meet the requirements of paragraph 30(a) of the Trade-marks Act

II.5.4.2 Contexte des produits et services

Dans certains cas, le contexte de l'énoncé des produits et services peut servir à préciser une description qui autrement serait inacceptable. En effet, les produits ou les services peuvent être acceptables lorsque le contexte de l'énoncé est suffisamment précis.

Par exemple, « étuis » seul n'est pas acceptable, car il peut s'appliquer à n'importe quel type d'étui, des étuis d'appareils photo aux étuis à lunettes. Cependant, si la demande porte sur les « appareils photos, trépieds et étuis », le terme « étuis » est acceptable, car il est évident d'après le contexte qu'il s'agit d'étuis d'appareils photo. De même, le service « livraison » seul ne serait pas acceptable, car il pourrait s'agir de n'importe quel type de services de livraison, de la livraison de fleurs à la livraison de meubles.

Cependant, une demande portant sur des « services de restaurant » qui inclurait le terme « livraison » serait acceptable, car il est évident d'après le contexte qu'il s'agit de livraison de nourriture.

Remarque : Les produits ou les services qui sont séparés par un point-virgule (;) sont généralement considérés comme des services distincts les uns des autres et doivent rencontrer les

without regard to the other listed goods or services.

exigences de l'alinéa 30a) de la Loi sur les marques de commerce sans égard aux autres produits ou services listés.

II.7.1 Applications Based on Use in Canada — Subsection 16(1) and Paragraph 30(b)

II.7.1 Demandes d'enregistrement fondées sur l'emploi d'une marque de commerce au Canada — Paragraphe 16(1), alinéa 30b)

Paragraph 30(b) of the Trade-marks Act provides that an application for registration of a trademark that has been used in Canada must contain the date from which the applicant or his named predecessors in title, if any, have used the trademark in association with each of the general classes of goods or services described in the application.

L'alinéa 30b) de la Loi sur les marques de commerce dispose qu'une demande d'enregistrement visant une marque de commerce qui a été employée au Canada doit renfermer la date à compter de laquelle le requérant ou ses prédécesseurs en titre désignés, le cas échéant, ont employé la marque de commerce en liaison avec chacune des catégories générales de produits ou services décrites dans la demande.

II.7.1.1 Naming the Date of First Use

II.7.1.1 Déclaration concernant la date de premier emploi de la marque

It is not acceptable for the applicant to use an expression such as "on or about" to identify dates of first use since this is not precise enough. Acceptable alternatives are "since," "since before", "since at least", "since as early as" and "since at least as early as".

Le requérant ne peut utiliser une expression comme « le ou vers le » une certaine date pour définir les dates de premier emploi, étant donné que ce ne sont pas des données suffisamment précises. Les autres solutions acceptables sont : « depuis », « depuis avant », « depuis au moins », « depuis déjà », et « depuis déjà au moins ».

The date of first use can be stated as just the year of first use, just the month and year of first use, or the day, month and year of first use. However, in all cases the date of

La date de premier emploi peut tout simplement être l'année de premier emploi, le mois et l'année de premier emploi ou le jour, le mois et l'année de premier emploi.

first use cannot be subsequent to the filing date of the application.

Cependant, dans tous les cas, la date de premier emploi ne peut être postérieure à la date de production de la demande.

Note: When only the month and year are named, the last day of the month will be regarded as the effective date. When only the year is named, December 31st of that year will be the determining date. See also the practice notice entitled Notice - Specific Date of First Use.

Remarque : Lorsque seuls le mois et l'année sont indiqués, le dernier jour du mois sera considéré comme la date de premier emploi. Lorsque seule l'année est indiquée, le 31 décembre de cette année sera considéré comme la date déterminante. Voir l'énoncé de pratique intitulé Avis — Date spécifique de premier emploi.

FEDERAL COURT
SOLICITORS OF RECORD

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STYLE OF CAUSE: LES MARQUES METRO / METRO BRANDS S.E.N.C. v
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PLACE OF HEARING: OTTAWA, ONTARIO

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