

Federal Court



Cour fédérale

Date: 20090610

Docket: T-1299-08

Citation: 2009 FC 627

Ottawa, Ontario, June 10, 2009

PRESENT: The Honourable Mr. Justice Lemieux

BETWEEN:

KAMSUT, INC.

Applicant

and

JAYMEI ENTERPRISES INC.

Respondent

REASONS FOR JUDGMENT AND JUDGMENT

1) Introduction and Background

[1] Pursuant to section 57 of the *Trade-marks Act*, R.S.C. 1985, c. T-13, (the *Act*), Kamsut, Inc. (Kamsut), a California corporation established in 1969, by application to this Court dated August 19, 2008, seeks to expunge from the Trade-marks Register the trade-mark KAMA SUTRA, Registration No. TMA:587,731 (the 731 Registration) which Jaymei Enterprises Inc., a British Columbia corporation with its place of business located in North Vancouver, obtained on August

21, 2003 upon application filed February 19, 2002 based on use in association with (1) chocolates, candies, chocolate truffles and candied fruit, since 1994 and (2) cookies, waffles, coffee and packaged hot chocolate since July 2003. The evidence shows this case does not involve the wares described in group 2, nor candies or candied fruits in group 1 in Jaymei's 731 Registration.

[2] Jaymei's 731 Registration under the heading "Foreign Character Translation" states: "As provided by the Applicant, KAMA translates into English as "love" or "desire" and the word SUTRA translates into English as "manual"."

[3] Kamsut says it carries on the business of manufacturing, distributing and selling romantic giftware, body, skin and personal care items including body lotions, massage oils, cosmetics, perfumery, bath gels, aromatic balms, personal lubricants and clothing in association with its trade-mark KAMA SUTRA (the Kamsut products) in Canada since 1973. It asserts amongst these products are a number of edible chocolate flavoured KAMA SUTRA products including chocolate-flavoured body soufflé, chocolate body paints and chocolate body oil (Kamsut's chocolate products) which it has used in Canada, in association with the KAMA SUTRA trade-mark since at least as early as 1988 and, as an example, says it has exported continuously since 1988 its chocolate-flavoured body lotions and oils to its Canadian distributor, Telford Investments Inc. (Telford).

[4] Kamsut claims the 731 Registration is invalid for two reasons:

- 1) Pursuant to subsections 18.(1) and 16.(1) of the *Act*, Jaymei was not entitled to secure its 731 Registration because at the date of its application for registration (February 19, 2002)

and on the date of Jaymei's first use in association with chocolates or chocolate truffles in 1994, its KAMA SUTRA mark was confusing with Kamsut's KAMA SUTRA trade-mark which had been previously used in association with its KAMA SUTRA products and specifically with its KAMA SUTRA Chocolate Products prior to the alleged date of first use or prior to the date of Jaymei's application for registration. For its Chocolate Mint Oil of Love product, Kamsut says the evidence show use as early as 1988.

- 2) At the date of the commencement of its expungement proceedings (August 19, 2008), Jaymei's KAMA SUTRA trade-mark was not distinctive of its wares.

[5] Jaymei did not put in issue Kamsut's capacity, as an "interested person" under subsection 57(1) of the *Act*, to bring this expungement proceeding nor did it suggest Kamsut was barred under subsection 57(2) of the *Act*.

[6] Jaymei's defence to the expungement proceeding is twofold:

- 1) First, Kamsut had the burden of proving it had used or made known its KAMA SUTRA mark prior to Jaymei's first use in 1994 or previous use before the date of Jaymei's application for registration on February of 2002 (previous use) and, if so, Jaymei's use at that time of its KAMA SUTRA mark would likely be confusing with Kamsut's mark. Jaymei says Kamsut did not discharge its burden of proof in making out prior use or knowledge of or reputation of its mark in Canada. Relying on the decision in *Auld Phillips*

Ltd. v. Suzanne's Inc., [2005] F.C.J. No. 70 (*Auld Phillips*), Jaymei argues the Court does not have to deal with the issue of confusion.

- 2) Jaymei submits, in any event, its KAMA SUTRA mark was not confusing with Kamsut's KAMA SUTRA mark having regard to Jaymei's wares and this for a number of reasons: Kamsut's wares bearing the mark KAMA SUTRA are different and separate from its wares identified in its 731 registration. Consumers will not be confused inferring its wares in question emanate from the same source, i.e. Kamsut. Jaymei's chocolates are not romantic giftware. Its application for registration shows they are listed as edible food products. On the other hand, Kamsut's wares are cosmetics or sexual aids.

- 3) Finally, Jaymei argues its KAMA SUTRA mark actually distinguish its wares from those of others because its trade-mark is known to its customers and is associated with its products as being manufactured by it and known as such in its channels of trade. Moreover, Jaymei adds its mark does not lack distinctiveness because of the isolated use by the infringing Kamsut. Kamsut has not proven such substantive, significant or sufficient use so as to render its registered mark non distinctive. Jaymei argues its mark has acquired local distinctiveness.

2) Relevant legislative provisions

[7] The emphasis being mine, the relevant provisions of the *Act*, for the determination of this case, are:

- 1) Subsection 57(1) of the *Act* which authorizes this Court: "... on the application of ... "any person interested", to order that any entry in the register "be struck out" on the ground that at the date of the application the entry as it appears on the register "does not accurately express or define the existing rights of the person appearing to be the registered owner of the Mark."

- 2) Subsection 18(1) of the *Act* which provides: "The registration of a trade-mark is invalid if ... (b) the trade-mark is not distinctive at the time proceedings bringing the validity of the registration into question are commenced", or ... "subject to section 17, it is invalid if the applicant for registration was not the person entitled to secure the registration."

- 3) Section 16 of the *Act* which indicates an applicant who "... has used in Canada or made known in Canada in association with wares or services is entitled ... to secure its registration in respect of those wares or services, unless at the date on which he ... first so used it or made it known it was confusing with (a) a trade-mark that had been previously used in Canada or made known in Canada by any other person; ...". [Emphasis mine.]

- 4) Certain key concepts flow from the statutory scheme described above:

(1) "distinctive" is defined in section 2 of the *Act* as follows:

"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

«distinctive » Relativement à une marque de commerce, celle qui distingue véritablement les marchandises ou services en liaison avec lesquels elle est employée

owner from the wares or services of others or is adapted so to distinguish them.

par son propriétaire, des marchandises ou services d'autres propriétaires, ou qui est adaptée à les distinguer ainsi.

(2) "use" is also defined there:

"use", in relation to a trade-mark, means any use that by section 4 is deemed to be a use in association with wares or services.

«emploi » ou «usage » À l'égard d'une marque de commerce, tout emploi qui, selon l'article 4, est réputé un emploi en liaison avec des marchandises ou services.

5) Section 4 of the *Act* referred to in the definition of "use" reads:

When deemed to be used

Quand une marque de commerce est réputée employée

4. (1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

4. (1) Une marque de commerce est réputée employée en liaison avec des marchandises si, lors du transfert de la propriété ou de la possession de ces marchandises, dans la pratique normale du commerce, elle est apposée sur les marchandises mêmes ou sur les colis dans lesquels ces marchandises sont distribuées, ou si elle est, de toute autre manière, liée aux marchandises à tel point qu'avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.

Idem

Idem

(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

(2) Une marque de commerce est réputée employée en liaison avec des services si elle est employée ou montrée dans l'exécution ou l'annonce de ces services.

Use by export

Emploi pour exportation

(3) A trade-mark that is marked in Canada on wares or on the packages in which they are contained is, when the wares are exported from Canada, deemed to be used in Canada in association with those wares.

(3) Une marque de commerce mise au Canada sur des marchandises ou sur les colis qui les contiennent est réputée, quand ces marchandises sont exportées du Canada, être employée dans ce pays en liaison avec ces marchandises.

- i. Section 6 of the *Act* is headed: “When mark or name confusing”. Subsection 6(2) of the *Act* reads:

When mark or name confusing

Quand une marque ou un nom crée de la confusion

...

...

Idem

Idem

6. (2) The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

6. (2) L’emploi d’une marque de commerce crée de la confusion avec une autre marque de commerce lorsque l’emploi des deux marques de commerce dans la même région serait susceptible de faire conclure que les marchandises liées à ces marques de commerce sont fabriquées, vendues, données à bail ou louées, ou que les services liés à ces marques sont loués ou exécutés, par la même personne, que ces marchandises ou ces services soient ou non de la même catégorie générale.

....

...

- 7) Subsection 6(5) of the *Act* spells out, in determining whether trade-marks or trade-names are confusing, the Court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including certain listed ones. It reads:

When mark or name confusing

...

What to be considered

6. (5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;

(b) the length of time the trade-marks or trade-names have been in use;

(c) the nature of the wares, services or business;

(d) the nature of the trade; and

(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

Quand une marque ou un nom crée de la confusion

...

Éléments d'appréciation

6. (5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :

a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;

b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;

c) le genre de marchandises, services ou entreprises;

d) la nature du commerce;

e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou dans les idées qu'ils suggèrent.

8) Section 5 of the *Act* speaks to making known in Canada. It reads:

When deemed to be made known

5. A trade-mark is deemed to be made known in Canada by a person only if it is used by that person in a country of the

Quand une marque de commerce est réputée révélée

5. Une personne est réputée faire connaître une marque de commerce au Canada seulement si elle l'emploie dans un pays

Union, other than Canada, in association with wares or services, and

de l'Union, autre que le Canada, en liaison avec des marchandises ou services, si, selon le cas :

(a) the wares are distributed in association with it in Canada, or

a) ces marchandises sont distribuées en liaison avec cette marque au Canada;

(b) the wares or services are advertised in association with it in

b) ces marchandises ou services sont annoncés en liaison avec cette marque :

(i) any printed publication circulated in Canada in the ordinary course of commerce among potential dealers in or users of the wares or services, or

(i) soit dans toute publication imprimée et mise en circulation au Canada dans la pratique ordinaire du commerce parmi les marchands ou usagers éventuels de ces marchandises ou services,

(ii) radio broadcasts ordinarily received in Canada by potential dealers in or users of the wares or services, and it has become well known in Canada by reason of the distribution or advertising.

(ii) soit dans des émissions de radio ordinairement captées au Canada par des marchands ou usagers éventuels de ces marchandises ou services, et si la marque est bien connue au Canada par suite de cette distribution ou annonce.

R.S., c. T-10, s. 5.

S.R., ch. T-10, art. 5.

3) The Evidence

[8] Kamsut manufactures, distributes and sells certain wares in association with its mark KAMA SUTRA. It has a Canadian trade-mark registered on March 11, 1983, Registration No. TMA277,435 for its trade-mark KAMA SUTRA used in association with "Cosmetics, namely face and body creams, bath salts and oils, cleansing lotions and creams, body powders, perfumery, toiletries, emulsions, namely, lipstick; nail polish, lotion and body oils, shampoos, bath and beauty soap, beauty aids, namely, face and eye make-up, mascara, rouge" used in Canada since at least as early as April 1973.

[9] Kamsut is currently seeking, in an application filed on September 29, 2004, with the Canadian Intellectual Property Office (CIPO) for registration of its trade-mark KAMA SUTRA and design in association with: (1) body oil, body cream, body powder, body massage cream, body soap, non-medicated bath salts, massage oils; massage creams; pleasure heightening balm used in Canada since as early as June 30, 1995; (2) personal lubricants and balms; and (3) clothing, namely lingerie, loungewear, underwear and sleepwear for proposed use. Its application for registration is being opposed by Jaymei. When the Court heard this matter it was informed Kamsut's application was at the opposition state.

[10] Kamsut's application to expunge Jaymei's 731 Registration was supported by the affidavit of Joseph C. Bolstad, who has been in its employ as President since 1969. Its expungement application was also supported by the affidavit of Darrell Gibbs, who is the buyer for Telford Investments, Inc. (Telford) in its employ since 1990.

[11] Jaymei's defense to Kamsut's expungement application was supported by the affidavit of Fu Mei Leonard. He states he has been the Director and sole shareholder as well as its Chocolate Maker since July 18, 1994.

[12] None of the affiants were cross-examined on their affidavits. I add, however, in the context of opposition proceedings currently underway, namely, Kamsut's application filed on September 29, 2004 and Kamsut's opposition to Jaymei's application, dated June 2, 2004, to register the trade-mark KAMA SUTRA in association with the proposed use of a variety of wares, both Messrs.

Bolstad and Leonard were cross-examined on their affidavits deposited in those respective opposition proceedings, with transcript extracts found in the parties' records before this Court.

[13] Mr. Bolstad, in his affidavit, states that: "Kamsut manufactures, distributes, and sells romantic giftware, body, skin and personal care items, including body lotions, massage oils, cosmetics, perfumery, bath gels, aromatic balms, personal lubricants and clothing, in association with the trade-marks KAMA SUTRA and KAMA SUTRA & Design (Kamsut products) in Canada since as early as 1973."

[14] Fu Mei Leonard states in his affidavit: "Jaymei manufactures, distributes and sells chocolates, candies, chocolate truffles, and candied fruit, and has done so since as early as 1994." He says: "These products are sold under the trade-mark KAMA SUTRA."

[15] After identifying Jaymei as being the owner of its Mark, Mr. Leonard mentions: "Jaymei is the registered owner of Canadian trade-mark Registration No. TMA479920 (the 920 Registration) registered on August 8, 1997, for the trade-mark FORBIDDEN PLEASURES/KAMA SUTRA & DESIGN, registered in use association with chocolates." Fu Mei Leonard says all of Jaymei's KAMA SUTRA Chocolate Products are hand-made by him. The registration has the same English translation of KAMA and SUTRA as noted in paragraph 1 of these reasons.

Kamsut's evidence – the Bolstad affidavit

[16] I summarize the Bolstad affidavit and its exhibits:

1. Evidence of export and sale to Canada

- a) Exhibits “D”, “E” and “F” speak to this point. Mr. Bolstad says Exhibit “D” “are true copies of representative Kamsut’s products, showing the use of the trade-mark KAMA SUTRA on chocolate flavoured products [defined as chocolate body soufflé, chocolate body paint and chocolate body oil] as it has been used since at least as early as 1988.” What is displayed in Exhibit “D” are photographs of the packaging and the label of the following wares: (1) a bottle of Oil of Love – KAMA SUTRA and Design – chocolate mint; as well as the bottle’s packaging with the following script: “A kissable silky smooth water based oil that gently warms the skin”; (2) a box labelled with the KAMA SUTRA mark called “Lover’s Paintbox” (on top of which are seen three jars labelled “chocolate body paint – KAMA SUTRA and Design with paint brush”) containing the following typed script: “Three Rich and Decadent Chocolate Body Paints with supple body brush for romantic body art.”; and, 3) a box labelled “KAMA SUTRA chocolate body paint – milk chocolate with supple paintbrush”. The photograph also shows the brush and a jar with the KAMA SUTRA mark and the words Chocolate Body Paint – Milk Chocolate.
- b) Exhibit “E” is a photocopy of a circular letter which Mr. Bolstad asserts: “was sent by Kamsut to its distributors including its Canadian distributor Telford Investments Inc., dated January 10, 1989”. That letter, without letterhead, is dated 1/10/89 addressed to “Dear Friends” and states the Company was forced to raise its wholesale price on some of their listed products, one of which is: “Oil of Love – The Original, Chocolate Mint, and Cherry Almond”. The letter closes with the words the Kama Sutra Company and is

unsigned. Mr. Gibbs, in his affidavit, says this exhibit has a receipt stamp dated “01/17/89” and was located in Telford’s files.

- c) Exhibit “F”: is a copy of an order card which Mr. Bolstad says “its Canadian distributor provided us from its files and which was used by our company with its distributors in 1988”. It is a photocopy of the card entitled: “KAMA SUTRA ORDER CARD”, identifying the products which may be ordered. They include: “Oil of Love – The Original, Oil of Love – Chocolate Mint and Oil of Love – Cherry Almond”. Mr. Gibbs in his affidavit says of this Exhibit that it is dated 6/88 and was located in the Telford’s files and used to order the KAMA SUTRA products.

2. The nature of Kamsut’s trade-mark

Under the heading “Nature of Trade”, Mr. Bolstad asserts at paragraphs 13, 14, 15 and 16 of his affidavit: “The KAMA SUTRA Products are generally referred to as romantic giftware and aim at providing consumers a joyful experience of intimacy and tenderness, to promote physically and emotionally healthier human beings. The KAMA SUTRA Products are sold in Canada through specialty retail stores such as Love Boutique, direct sales, department stores and drug stores and Internet sales on Kamsut’s online store (the Website)”. In the next paragraph he writes: “In particular, the KAMA SUTRA Chocolate Products are sold in Canada through more than 1000 retail outlets, including through Shoppers Drug Mart outlet in Canada and through the Website, and KAMA SUTRA Products have been sold through The Bay and Zellers. The KAMA SUTRA Chocolate Products are available in the mini-bar areas of rooms, gift stores, spas and romance

packages in major hotel chains across Canada including, but not limited to, The Pan Pacific, Executive Hotel, Sutton Place, Hotel Le Soleil.”

3. Sales, Marketing and Use

- a) In his affidavit, he says: “Kamsut spends at least as much as \$75,000 (US) each year from 2001 to 2008 on advertising the KAMA SUTRA Products using the KAMA SUTRA trade-mark in Canada. Kamsut advertises the KAMA SUTRA Products by print, magazine, radio, television, Internet, direct mailing, sponsorships, promotional contests, trade shows and in-store promotions.” He attaches, as Exhibit “G”, print advertising materials of the KAMA SUTRA Products in a number of listed publications which he submits: “have an enormous circulation and many are circulated in Canada or available as a subscription magazine to Canadians, including a copy of two advertisements distributed in the Canadian publication *Corps et Âme* for KAMA SUTRA Chocolate Products, all of which uses the KAMA SUTRA Marks.” Mr. Bolstad’s listing of publications cover certain months in 2005, 2006 and one publication called “Intimate Apparel Business (May – June 2007)”.
- b) As Exhibit “H”, he attaches a copy of a sample brochure promoting the KAMA SUTRA Products and using the KAMA SUTRA Marks. The brochure is quite comprehensive displaying all Kamsut’s products. It is written in four languages: English, French, Spanish and German. Its products display a range from Oil of Love in nine flavors, body powders, lubricants, creams and body chocolate paints. As Exhibit “I”, he appends as copies of representative printouts from the Kamsut Website

“showing the use of the mark in Kamsut’s promotion of the KAMA SUTRA Products, including the KAMA SUTRA Chocolate Products, from 1997 to 2004, and 2007 and 2008”.

- c) At paragraph 21, he writes: “Kamsut’s retail sales in Canada total in excess of \$15 million US from 2001 to 2008 based on the average markup of at least 2.5 times from the KAMA SUTRA sale price to the Canadian distribution network for the following: 2001: \$600,000.00(est); 2002: \$840,351.82; 2003: \$778,420.21; 2004: \$783,901.64; 2005: \$681,977.56; 2006: \$655,851.65; 2007: \$911,058.54; 2008 (Year-to-Date): \$980,382.31.”
- d) He next advances: “Kamsut retains documents for seven (7) years, therefore, documentation relating to transactions occurring more than 7 years ago has been destroyed.” He attached as Exhibit “J” a number of invoices said to be representative transaction / sales of shipments to Canada from 2002. The representative invoices are:
- i) Several invoices, dated in 2002, 2003, 2004 and 2005, to Ultra Love, in Vancouver, the purchase of various products including Oil of Love – Chocolate Mint;
 - ii) Three invoices, dated in 2002, 2003 and 2008, to B.M.S. Enterprises in Mississauga, Ontario for a variety of products including Oil of Love – Chocolate Mint;

- iii) One invoice, dated in 2002, to Lanco Import Canada Inc. in Laval, Quebec for a variety of products including Oil of Love Chocolate Mint and Lover's paint box;
 - iv) An invoice, dated 2004, to Stag Shop in Waterloo, Ontario including Oil of Love – Chocolate mint;
 - v) Telford Investments in Edmonton with 2 separate invoices, dated in 2006 and 2007 for a variety of wares including Oil of Love chocolate and Lover's paint box;
 - vi) An invoice, dated 2007, to Sexy Living Enterprises in Vancouver, for several items including Lover's paint boxes;
 - vii) Shoppers Drug Mart several purchase orders to be shipped to warehouses. (Three purchase orders on July 23, 2008 for delivery on December 1, 2008 and the rest in August 27, 2008.) Amongst the items are Lover's paint boxes.
- e) At paragraph 23, Mr. Bolstad comments: "Kamsut has a significant presence on the Internet. A search on the Internet indicates that chocolate products associated with the trade-mark KAMA SUTRA points to KAMA SUTRA Chocolate Products." He attaches as Exhibit "K": "a true printout of the search results using www.google.com for "KAMA SUTRA chocolate" showing that four of the top five search results point to KAMA SUTRA Chocolate Products."

4. On Jaymei's products

a) He characterizes Jaymei's products in the following manner:

“The Wares are natural extensions of the area of “romantic giftware”. From my experience with the sales of our products I believe customers familiar with Kamsut's romantic giftware products would assume that the Respondent's products sold under the KAMA SUTRA brand originate from Kamsut.” [My emphasis.]

5. Kamsut's opposition to Jaymei's second application for registration

a) As Exhibit “M”, he attaches a copy of the Canadian Intellectual Property Office (CIPO) data base showing Application No. 1218942, filed by Jaymei on June 2, 2004 and opposed by Kamsut. This application by Jaymei is for the proposed use of the KAMA SUTRA mark on a wide variety of mainly non edible products. He states on or about April 29, 2008, he was cross-examined in Vancouver on his affidavit filed in the opposition proceeding. He appends, as Exhibit “N”, a copy of the transcript of the Cross-Examination. He concludes his affidavit by attaching, as Exhibit “O”, a copy of a without prejudice letter from counsel for Jaymei, dated November 29, 2007, to Kamsut's Canadian counsel. I ruled this letter to be inadmissible.

Kamsut's evidence – The Gibbs affidavit

[17] As noted, Kamsut's expungement application was also supported by the affidavit of Darrell Gibbs, Telford's buyer since 1990. At paragraph 2, he states:

“When I started with Telford in 1990, Telford was a distributor in Canada of the products of Kamsut, Inc. bearing the trade-mark KAMA SUTRA, and it has been a distributor in Canada of the products of Kamsut, Inc. bearing the trade-mark KAMA SUTRA ever since. Kamsut, Inc. is known to Telford as The Kama Sutra Company.” [My emphasis.]

[18] At paragraph 3, he deposes:

“One of Kamsut, Inc.’s products which Telford was distributing in Canada when I started in 1990 was a chocolate-flavoured body oil bearing the trade-mark KAMA SUTRA called Chocolate Mint Oil of Love.” [My emphasis.]

[19] At paragraph 4, he attaches as Exhibit “A”, a true copy of the letter which is appended to Mr. Boldstad’s affidavit as Exhibit “E”. Mr. Gibbs states his: “is a true copy of a letter from The Kama Sutra Company dated January 10, 1989 and date stamped by Telford on January 17, 1989, advising its distributors of a number of price increases, including a price increase for the Chocolate Mint Oil of Love product”. He located this letter in Telford’s files. He also attached, as Exhibit “B” to his affidavit, the Kama Sutra Order Card dated 6/88 which he states: “I also located in the files of Telford which was used to order the KAMA SUTRA products.”

[20] At paragraph 6, Mr. Gibbs says: “Sales of the KAMA SUTRA Chocolate Mint Oil of Love product in Canada were made by Telford since at least as early as 1990 and have continued ever since.” As noted, he was not cross-examined. [My emphasis.]

Jaymei’s Evidence - The affidavit of Mr. Leonard

[21] As noted, Jaymei’s evidence was provided through the affidavit of Fu Mei Leonard, some elements of which have previously been described in these reasons.

[22] At paragraph 10, he attaches, as Exhibit “D”, a list of Jaymei’s invoices for the sale of Jaymei’s KAMA SUTRA Chocolates. The invoices are from 1994 to 2008. They include sales to

individuals at Dorset College and other individuals, Tesco Canada Investment Corporation, Seregeti Investments Inc., DBA Garnier Hardware, Pearsons Hardware, individuals at Bayshore Hotel, Coastal Mountain College of Arts, Inc., Street Smart Tracing, Coastal Trademark Services, XTOPER'S Hair Design, WSI Consulting & Education, Rosemary Cooks & Associates, Prime Seeds International Inc., Zaz-WSI Consulting & Education and KAMA SUTRA Essensuals in 1999 and 2000. He adds: "Jaymei continues to sell their KAMA SUTRA Chocolate Products." A review of the invoices shows, overwhelming, its sales are made in the Vancouver area with very few outside that area and they are generally for small quantities. They also show for most of them the product described in the invoice being Kama Sutra "Forbidden Pleasures Chocolates".

[23] As Exhibit "E", he appends photocopies of representative labels, pictures of such products both as currently sold in Canada and pictures of Jaymei's packaging for their KAMA SUTRA Chocolate Products. He states: "This packaging has been used since as early as 1994." I note for the most part, the packaging consists of the words "Forbidden Pleasures", then a picture of a rose, the mark KAMA SUTRA and some script emphasizing Love.

[24] The balance of his affidavit reads as follows:

1. Jaymei sells their KAMA SUTRA Chocolate Products throughout Vancouver, British Columbia through direct sales to individuals, and other companies, some of which are listed in paragraph 10 of this my affidavit.
2. Jaymei promotes and advertises their KAMA SUTRA Chocolate Products primarily by word of mouth. I have also been interviewed on the Rock 101 Radio station regarding Jaymei's KAMA SUTRA Chocolate Products.
3. I believe that Jaymei's KAMA SUTRA Chocolate Products are distinctive and that this is evident from the communications that I have with the customers that I deal with. I believe that Jaymei's customers know when they buy

the Jaymei KAMA SUTRA Chocolate Products that the products come from Jaymei, and that the products are made in Canada. [My emphasis.]

Jaymei's position on Kamsut's evidence

[25] Counsel for Jaymei attacks the quality of Kamsut's evidence. He makes these points in his written representations in an effort to show Kamsut has not met its burden, noting that the law is clear that Jaymei's registration enjoys a presumption of validity:

- Kamsut has provided no evidence of manufacturing in Canada;
- Its packaging and labels have no date on them;
- Kamsut refers to a number of products which are chocolate flavoured but does not say when the products were first sold in Canada or that they are currently being sold in this country;
- Kamsut asserts that its chocolate flavoured body lotions, bearing the KAMA SUTRA trade-mark, have been exported to Canada since 1988 yet its pending application for registration, dated September 29, 2004, does not list them and its evidence contains no volume of sales;
- Exhibit "D" does not have any labels in French;

- Exhibit “E” does not have any addresses on it. There is no evidence the letter was sent let alone sent to anyone in Canada and does not show what trade-mark the sales were sold under;
- Paragraphs 13 to 16 of the Bolstad affidavit do not contain any sales information; no contracts work orders or invoices were provided;
- Advertising of a trade-mark does not constitute use;
- There is no evidence that the magazines listed circulate in Canada or what the circulation numbers are;
- Exhibit “H” the brochure does not have a reference date;
- The sales figures are not backed up by any supporting documentation and they do not go back to the relevant dates to its expungement application. The sales figures have no product breakdown;
- There is no explanation why documents are kept for seven years only and why there is no information going back to 2001. The earliest invoice provided is dated November 7, 2002 after the relevant dates of 1994 and February 19, 2002; and,

- Kamsut appears to have thrown out materials when it had constructive notice of the 731 registration. There is no material provided for the 1990s.

4) Analysis

a) Principles

[26] It is useful, I believe, to set out at the beginning of this analysis certain applicable principles derived from the jurisprudence.

(i) Presumption of validity and onus

[27] It is settled law an Applicant, who seeks to expunge a trade-mark registration, has the onus of proof (i.e. must establish by evidence) on a balance of probabilities the grounds of invalidity he asserts in respect of a trade-mark registration and that registration, by virtue of section 19 of the *Act*, is presumed to be valid at law. As Justice Binnie put it at paragraph 5 of his reasons in *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, [2006] 1 S.C.R. 824 (*Veuve Clicquot*): “Under s. 19 of the *Act*, the respondents' marks are presumptively valid, and entitles them to use the marks ...” At paragraph 15, speaking of the likelihood of depreciation, he said that “was for the appellant to prove, not for the respondents to disprove or for the Court to presume”. (See also *Tubeco Inc. v. Association québécoise des fabricants de tuyau de béton, Inc.*, (1980) 49 C.P.R. (2d) 228 (*Tubeco*) at paragraph 3 and *Omega Engineering, Inc. v. Omega SA*, 2006 FC 1472, at paragraph 12 (*Omega*)).

[28] In *Emall.ca Inc. (c.o.b. Cheaptickets.ca) v. Cheap Tickets and Travel Inc.*, 2008 FCA 50, Justice Sharlow, on behalf of the Federal Court of Appeal, wrote the following at paragraph 12:

12 The presumption of validity established by section 19 of the *Trade-Mark Act* is analogous to the presumption of validity of a patent in section 45 of the *Patent Act*, R.S.C. 1985, c. P-4. In *Apotex Inc v. Wellcome Foundation Ltd.*, [2002] 4 S.C.R. 153, Justice Binnie characterized that presumption as weakly worded, and he explained (at paragraph 43) that the presumption adds little to the onus already resting, in the usual way, on the attacking party. What that means, in my view, is that an application for expungement will succeed only if an examination of all of the evidence presented to the Federal Court establishes that the trade-mark was not registrable at the relevant time. There is nothing more to be made of the presumption of validity.

(ii) The purpose of trade-marks

[29] In *Veuve Clicquot*, at paragraph 18, Justice Binnie wrote: "... the purpose of trade-marks is to function as a symbol of the source and quality of wares and services, to distinguish those of the merchant from those of another, and thereby to prevent "confusion" in the marketplace." He went on to explain, based on section 6(2) of the *Act*, confusion under the *Act* occurs if the use of a trade-mark is likely to lead to the inference that the wares associated with the trade-marks are manufactured, sold or performed by the same person.

(iii) Likelihood of confusion and actual confusion

[30] As explained in *Mattel, Inc. v. 3894207 Canada Inc.*, [2006] 1 S.C.R. 772 (*Mattel*), the statutory test for confusion is the likelihood of confusion, that is, is it likely, in all of the surrounding circumstances, a prospective purchaser will be led to the mistaken inference the wares associated with the trade-marks were made or sold by the same person. Evidence of actual confusion is not necessary. At paragraphs 55 and 89 of *Mattel*, Justice Binnie wrote the following in respect of the lack of evidence of actual confusion:

55 Evidence of actual confusion would be a relevant "surrounding circumstance" but is not necessary (*Christian Dior*, at para. 19) even where trade-marks are shown to have operated in the same market area for ten years: *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.). Nevertheless, as discussed below, an adverse inference may be drawn from the lack of such evidence in circumstances where it would readily be available if the allegation of likely confusion was justified. [My emphasis.]

...

89 No doubt, as an abstract proposition, the appellant's mark is "famous" whereas the respondent's applied-for mark is not. The question, however, is whether there will likely be (or has been) [page819] confusion in the marketplace where both may operate. In that respect, evidence of actual confusion, though not necessary, would have been helpful (*ConAgra, Inc. v. McCain Foods Ltd.* (2001), 14 C.P.R. (4th) 288, 2001 FCT 963; *Panavision, Inc. v. Matsushita Electric Industrial Co.* (1992), 40 C.P.R. (3d) 486 (F.C.T.D.), but it was not forthcoming. *Décary J.A.* commented in *Christian Dior*, at para. 19:

While the relevant issue is "likelihood of confusion" and not "actual confusion", the lack of "actual confusion" is a factor which the courts have found of significance when determining the "likelihood of confusion". An adverse inference may be drawn when concurrent use on the evidence is extensive, yet no evidence of confusion has been given by the opponent.

I agree. The lack of any evidence of actual confusion (i.e. that prospective consumers are drawing the mistaken inference) is another of the "surrounding circumstances" to be thrown into the hopper: *Pepsi-Cola Co. of Canada, Ltd. v. Coca-Cola Co. of Canada, Ltd.*, [1940] S.C.R. 17, at p. 30; *General Motors Corp. v. Bellows*, [1947] Ex. C.R. 568, at p. 577, aff'd [1949] S.C.R. 678; *Freed & Freed Ltd. v. Registrar of Trade Marks*, [1950] Ex. C.R. 431; *MonSport Inc. v. Vêtements de Sport Bonnie* (1978) Ltée (1988), 22 C.P.R. (3d) 356 (F.C.T.D.), at p. 360; *Multiplicant Inc. v. Petit Bateau Valton S.A.* (1994), 55 C.P.R. (3d) 372 (F.C.T.D.), at p. 379. [My emphasis.]

[31] In *Mr. Submarine Ltd. v. Amandista Investments Ltd.*, [1988] 3 F.C. 91 (C.A.), Chief Justice Thurlow considered, as "a very weighty fact", that in ten years of operation of both business in the Dartmouth area prior to the trial, no instance of any actual confusion had come to light. For the reasons he expressed, however, the lack of evidence of actual confusion did not prevent him from finding likelihood of confusion between the two marks.

(iv) The first impression test

[32] At paragraph 20 of *Veuve Clicquot*, Justice Binnie wrote the following :

20 The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the name *Clicquot* on the respondents' storefront or invoice, at a time when he or she has no more than an imperfect recollection of the VEUVE CLICQUOT trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks. As stated by Pigeon J. in *Benson & Hedges (Canada) Ltd. v. St. Regis Tobacco Corp.*, [1969] S.C.R. 192, at p. 202:

It is no doubt true that if one examines both marks carefully, he will readily distinguish them. However, this is not the basis on which one should decide whether there is any likelihood of confusion.

... the marks will not normally be seen side by side and [the Court must] guard against the danger that a person seeing the new mark may think that it is the same as one he has seen before, or even that it [page841] is a new or associated mark of the proprietor of the former mark.

(Citing in part *Halsbury's Laws of England*, 3rd ed., vol. 38, para. 989, at p. 590.)

(v) The “in all of the surrounding circumstances” test

[33] At paragraph 21 of *Veuve Clicquot*, Justice Binnie wrote:

21 In every case, the factors to be considered when making a determination as to whether or not a trade-mark is confusing to the somewhat-hurried consumer "in all the surrounding circumstances" include, but are not limited to, those enumerated in s. 6(5) of the *Act*. These are: "(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; (b) the length of time the trade-marks or trade-names have been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them". The list of circumstances is not exhaustive and different circumstances will be given different weight in a context-specific assessment, as discussed in *Mattel*. [Emphasis mine.]

(vi) How is the evidentiary burden satisfied?

[34] The law on this point is clear. It was not sufficient for Kamsut in the Bolstad and Gibbs affidavits to simply assert that sales of its KAMA SUTRA chocolate products took place in Canada at least since 1990 or before Jaymei's first use in 1994.

[35] Kamsut's obligation was to establish or prove such sales by detailed and specific evidence of use meeting the requirement of section 4 of the *Act* or that its mark was well known in Canada prior to the relevant date. (See: (1) *Redsand, Inc. v. Dylex Ltd.*, [1997] F.C.J. No. 792 (F.C.T.D.), at paragraphs 31 and 44 (*Redsand*); (2) *J.C. Penney Co. v. Gaberdine Clothing Co.*, 2001 FCT 1333, at paragraphs 74, 75 and 82 (*J.C. Penney*); and, (3) *Auld Phillips Ltd.*, at paragraph 16.)

[36] The need for direct evidence to prove assertions of prior use or knowledge of the mark flow from the requirements of section 4 of the *Act* as to what constitutes use and distinctiveness (see *J.C. Penney*, at paragraphs 80, 83, 84 and 86).

b) Application to this case

[37] The essence of this case is that it pits the chocolates made by Jaymei with the "chocolate products" made by Kamsut. Specifically, in terms of prior use, the most relevant product is Kamsut's chocolate flavoured body lotion.

[38] The burden which Kamsut has on the first branch of his invalidity attack on Jaymei's registration is to establish by cogent evidence, on the balance of probabilities, Jaymei was not entitled to register its KAMA SUTRA mark because, when Jaymei first used or at the time of its

application to register the mark it was seeking to register, that mark was confusing with Kamsut's KAMA SUTRA mark in Canada which enjoyed prior or previous use or was well known in Canada.

[39] Section 16(1) of the *Act* sets up a two part test which Kamsut must fulfill: (1) establish prior or previous use or being well known in Canada; and (2) establish confusion. I agree with counsel for Jaymei if Kamsut does not establish prior or previous use or reputation in Canada, consideration of confusion is not necessary. *Auld Phillips* is on point. From a statutory interpretation point of view, this proposition flows from the nature of the two part test established under section 16 of the *Act*.

1) Prior use

[40] As noted, Exhibits "D", "E" and "F" are offered by Kamsut as evidence of prior use of the KAMA SUTRA trade-mark by Kamsut. None of these documents are evidence of the use by Kamsut of its trade-mark KAMA SUTRA in Canada, i.e. associated with a transfer of the property or possession of the wares: 1) one exhibit is a blank order form; and, 2) the other is a notice of price increase.

[41] Exhibit "D" is undated and reflects the current packaging and labels which have been updated from the original packaging and labels used on Kamsut's products. Moreover, Mr. Bolstad, in his affidavit, does not tell us when the updated labels were introduced (Compare Exhibit "D" with the advertisement in Nylon (August 2005) in Exhibit "H"). Moreover, Exhibit E – the order card does not list Lover's paint box as a product which could be ordered in 1988. For these reasons,

I accord Exhibit “D” to the Bolstad affidavit little weight to establish prior use of Kamsut’s chocolate products.

[42] Exhibit “A” to Mr. Bolstad’s affidavit which is said to be representative packaging and labels of KAMA SUTRA products is of no assistance in establishing Kamsut’s prior use because are representative of KAMA SUTRA’s products currently being sold in Canada. For the same reason, Exhibit “J” cannot establish prior or previous use because the first invoice shown is dated October 23, 2002.

[43] The Gibbs affidavit is insufficient to repair the deficiencies in the Bolstad affidavit. Mr. Gibbs tells us that when he started working for Telford in 1990, Telford was a distributor of Kamsut Inc. products but he does not tell us what kind of distributor Telford was: he does not say Telford purchased for resale Kamsut Inc. products; he appends no purchase orders from Telford to Kamsut, nor any invoices from Kamsut to Telford nor invoices from Telford to its customers who are unknown to us. He provides no evidence of when, how and at what point property or possession passed between Kamsut and Telford.

2) Was Kamsut’s trade-mark made known in Canada?

[44] In oral argument, counsel for Kamsut acknowledged there was no sufficient evidence to establish Kamsut’s mark was well known in Canada at the time of Jaymei’s first use in 1994. No further consideration of the point is necessary. However, as will be seen, Kamsut argues its trade-mark is now well known in 2008.

Confusion

[45] It is prudent to deal with the issue of confusion should I be wrong on my determination Kamsut has not led sufficient evidence to establish prior or previous use of its chocolate flavoured products before 1994 or February 2002.

[46] *Mattel* provides us with the roadmap for the required analysis of the likelihood of confusion taking into account the factors set out in section 6 of the *Act*. *Mattel* involved the trade-mark BARBIE in association with dolls and doll accessories and BARBIE for registration in Canada by the Respondent numbered company who operated a small chain of Montreal suburban BARBIE'S restaurants.

[47] The first prescribed factor is the inherent distinctiveness of the trade-marks and the extent to which they have been known. Justice Binnie, at paragraph 75, stated: "Distinctiveness is of the very essence and is the cardinal requirement of a trade-mark". The words KAMA SUTRA are found in the New Shorter Oxford dictionary. Those words are in Sanskrit, an ancient Indo-Aryan language of the Indian subcontinent. Kama means love, desire. The Shorter Oxford says Kama Sutra is the title of ancient Sanskrit treaties in the art of love and sexual technique, a sex manual. "Sutra" is also found in that dictionary and means in Sanskrit literature a rule, a set of these rules.

[48] Inherent distinctiveness must be distinguished from acquired distinctiveness, for example, through publicity or use. In my view, the mark KAMA SUTRA is not inherently distinctive. It is not a coined word, or a purely invented word. Although derived from an ancient language, it is found in

the Shorter Oxford dictionary; its meaning in the English language is associated with romance, pleasure and sex; in that sense it may be said to be descriptive.

[49] The evidence in the record does not permit me to conclude KAMA SUTRA is a known trade-mark in Canada associated with Kamsut's chocolate products. The traditional badges to discover whether a mark is known to be linked or associated with wares are: sales, publicity and use. The evidence tendered by Kamsut is deficient in that its sales figures in Canada cover all of its products and not only its chocolate products and, more particularly, its Oil of Love chocolate mint. The publicity found in the several magazines are largely distributed in the United States with perhaps unspecified leakage in Canada except for the French language Corps et Ame. In terms of use, it would appear that Oil of Love – Chocolate mint was available for sale in Canada in 1988 but there is no evidence of the quantities sold from that time on. The evidence suggests that Kamsut's other chocolate products were not marketed before 1994.

Nature of the wares and nature of the trade

[50] I do not agree with the submission of counsel for Kamsut that its chocolate products, specifically its chocolate flavoured body oil and chocolate body paint are edible products in the same class as Jaymei's chocolates. Kamsut's chocolate products are oils or paints which contain a chocolate flavour which are not eaten. Clearly, Kamsut's chocolate flavoured oils and paints are not chocolates. Kamsut's chocolate flavoured body oils, paint soufflés are sexual aids. This is obvious when Exhibits "G" and "H" to the Bolstad affidavit are reviewed. The evidence does not suggest Jaymei's chocolates are sexual aids except perhaps remotely in one case (see Respondent's Record, page 95).

[51] Kamsut claims its chocolate products are distributed in the same channel of trade as Jaymei's. Apart from that bald statement, Kamsut offers no evidence that the channels of trade are the same. The evidence suggests Jaymei's chocolates are sold directly to corporations and individuals and not to distributors or retailers for resale to consumers, which is Kamsut's case. Kamsut has not produced any substantial direct evidence where Jaymei's product was marketed for resale to consumers. Apart from Shopper's Drug Mart, little is known to whom Kamsut's distributors sell to. There is evidence of Kamut sales in Canada to sex shops (see "Corps et Ames" back cover).

[52] Jaymei's market is a local market, whereas Kamsut's market is widespread across Canada and the United States. Kamsut has produced no evidence it sells directly to consumers.

[53] In my view, there is no likelihood of confusion between the Kamsut's chocolate flavoured products and Jaymei's chocolates. Kamsut has not produced any evidence of actual confusion when one would expect such evidence to be available in the Vancouver market where Jaymei's activities are substantially concentrated. I draw a negative inference on the lack of such evidence.

Degree of resemblance

[54] KAMA SUTRA is a component in both marks. Kamsut is correct in arguing that these identical words suggest a significant degree of resemblance in sound, appearance and ideas suggested by them.

The lack of distinctiveness

[55] The question raised by Kamsut on this ground for expungement is whether on August 18, 2008, when it took its expungement action, Jaymei's KAMA SUTRA mark actually distinguished Jaymei's chocolates or chocolate truffles from Kamsut's chocolate flavoured products or is adapted so to distinguish them.

[56] Kamsut's counsel frames this issue as whether on the date of the commencement of the expungement proceedings (August 18, 2009) the mark KAMA SUTRA was incapable of actually distinguishing Jaymei's wares from Kamsut's wares.

[57] He argues that distinctiveness is a question of fact and to be distinctive, Jaymei must show that a clear message has been given to the consumers that its chocolates with which its trade-mark is associated and used are the chocolates produced by Jaymei.

[58] Kamsut argues Jaymei has not provided any evidence to show that its message to the consumers is that Jaymei is the source of the chocolate bearing its mark, whereas Kamsut has given a clear message to the public that its wares originate from it and not those of another party including Jaymei.

[59] Kamsut argues, as of August 19, 2008, its KAMA SUTRA mark had become known in Canada and had acquired distinctiveness. Kamsut points to its advertising and promotion in Canada and specifically that its KAMA SUTRA chocolate products have been posted on its website since at least 1997. It points to the level of its retail sales and its presence on the Internet.

[60] Kamsut further argues Jaymei's evidence fails to show that the KAMA SUTRA mark had acquired any distinctiveness. It points to the fact Jaymei has provided no sales figures either in volume or in dollar terms. Kamsut recognizes, however, Jaymei's sales are mostly in Vancouver.

[61] Finally, Kamsut argues Jaymei's KAMA SUTRA mark is not distinctive in the light of Kamsut's previous and extensive use of its KAMA SUTRA mark which actually links its mark with Kamsut being the source of its wares.

[62] As I understand, Kamsut's oral and written submissions the crux of its case in respect of Jaymei's lack of distinctiveness is not based on infringing use of the KAMA SUTRA trade-mark by Kamsut, but rather lack of evidence by Jaymei that its product was distinctive and extensive and valid use by Kamsut of its mark in association, in particular, with its chocolate products.

[63] On the other hand, Jaymei argued isolated infringement by Kamsut citing the *Auld* case.

[64] In the circumstances of this case, I need not deal with the infringing use issue as a means of establishing non distinctiveness. The evidence before me establishes Jaymei's market for its chocolates is a local market, the Vancouver area. The nature of Jaymei's business is a local business such as a restaurant, a boulangerie or a pastry shop serving mainly customers residing in an area.

[65] It is well accepted in trade-mark law that in order to be distinctive it is not necessary for the mark to distinguish the wares throughout Canada. The mark will remain distinctive so long as

people within a particular area of Canada recognize the mark as representing the owner of the wares. In addition, it is not necessary for the owner of the trade-mark to show itself to be the sole user of the mark to demonstrate distinctiveness (see *ITV Technologies, Inc. v. WIC Television Ltd.*, [2003] F.C.J. No. 1335, 29 C.P.R. (4th) 182, at paragraphs 98 and 99 and *Alibi Roadhouse Inc. v. Grandma Lee's International Holdings Ltd.*, [1997] F.C.J. No. 1329) for the proposition that a trade-mark registration may be maintained if it had local distinctiveness. Furthermore, *Bojangles' International, LLC v. Bojangles Café Ltd.*, 2006 FC 657 is authority for the proposition that to negate distinctiveness of a trade-mark, another mark must be known in Canada to a substantive extent.

[66] Applying these principles to this case, I conclude that Jaymei's KAMA SUTRA mark acquired local distinctiveness in respect of chocolate through use and in particular through the very nature of the type of business Jaymei was conducting in the Vancouver area. Jaymei sells its chocolates directly to its customers. Distinctiveness is the association of the mark with the owner of the mark as the source of the product. Individualized service such as direct sale to customers is a significant indicia that KAMA SUTRA chocolates it sells will be associated with Jaymei, its producer of the product. Moreover, Mr. Leonard's affidavit speaks to distinctiveness through word of mouth and reputation. Word of mouth evidence is a relevant consideration. See *Bojangles'*, at paragraph 29.

[67] On the other hand, the evidence produced by Kamsut to negate Jaymei's local distinctiveness is lacking in specificity. Kamsut's evidence on lack of distinctiveness through its use or reputation fails for reasons previously identified in these reasons. Its advertisements in

publications are mainly U.S. publications with small Canadian circulation. The Kamsut's sales figures are for all of its products. Kamsut did try to segregate its sales of chocolate products amounting to small dollar value for its body oils from November 11, 2002 to May 29, 2008. In terms of body paints, the figure is substantially higher but any purchases from Shopper's Drug Mart have to be discounted after August 19, 2008. In any event, no sales figures are provided by Kamsut for sales of its chocolate products in the Vancouver area. I stress again my finding that Kamsut's chocolate body oils or paints, which it labels as its chocolate products is a misnomer because they are not edible products. The wares are not similar. The factor of similar wares is a relevant one in assessing negation of distinctiveness through competitive use. In sum, I am not satisfied for the reasons above, Kamsut met its burden to establish lack of distinctiveness in Jaymei's mark linking to Jaymei as the source of its product.

JUDGMENT

THIS COURT ORDERS AND ADJUDGES that the Applicant's application, to expunge from the Trade-marks Register the Respondent's registration TMA:587,731, is dismissed with costs, fixed at the upper level of the units in column IV of the Tariff in the *Federal Courts Rules*.

"François Lemieux"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

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PLACE OF HEARING: Vancouver, British Columbia

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**REASONS FOR JUDGMENT
AND JUDGMENT:** Lemieux J.

DATED: June 10, 2009

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