

Federal Court



Cour fédérale

**Date: 20100413**

**Citation: 2010 FC 397**

**Docket: T-2216-07**

**Ottawa, Ontario, April 13, 2010**

**PRESENT: The Honourable Mr. Justice Phelan**

**BETWEEN:**

**CIBC WORLD MARKETS INC.**

**Applicant**

**and**

**STENNER FINANCIAL SERVICES LTD.**

**Respondent**

**and**

**Docket: T-2217-07**

**BETWEEN:**

**THANE STENNER**

**Applicant**

**and**

**STENNER FINANCIAL SERVICES LTD.**

**Respondent**

**REASONS FOR JUDGMENT AND JUDGMENT**

## I. INTRODUCTION

[1] These are two applications pursuant to s. 57 of the *Trade-marks Act* R.S.C., 1985, c. T-13 (the Act) to expunge the registration “STENNER” in association with wares being publications regarding financial services and investments and in association with services being financial services and the provision of seminars and radio programs in the field of financial services and investments. The trade-mark is recorded as “STENNER” registration number TMA 639,953 on the Registrar of Trade Marks as of May 2005.

[2] The grounds upon which expungement is based is that the mark is a surname; that it was not distinctive at the time of registration or at the commencement of these expungement proceedings; and that that registration was obtained by material misstatement. Other grounds pleaded have been discontinued. The Applicants also raise expungement on the grounds of public policy.

**12. (1)** Subject to section 13, a trade-mark is registrable if it is not

(a) a word that is primarily merely the name or the surname of an individual who is living or has died within the preceding thirty years;

(b) whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the

**12. (1)** Sous réserve de l'article 13, une marque de commerce est enregistrable sauf dans l'un ou l'autre des cas suivants :

a) elle est constituée d'un mot n'étant principalement que le nom ou le nom de famille d'un particulier vivant ou qui est décédé dans les trente années précédentes;

b) qu'elle soit sous forme graphique, écrite ou sonore, elle donne une description claire ou donne une description fautive et trompeuse, en langue française

wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;

ou anglaise, de la nature ou de la qualité des marchandises ou services en liaison avec lesquels elle est employée, ou à l'égard desquels on projette de l'employer, ou des conditions de leur production, ou des personnes qui les produisent, ou du lieu d'origine de ces marchandises ou services;

## II. FACTUAL BACKGROUND

[3] This particular litigation is part of a nasty continuing intra family fight pitting father against daughter and father against son. Each of these individuals is in the general field of financial services and advice and each has an interest in using their family name in their respective businesses.

[4] Gordon Stenner (Gordon) is the sole shareholder of the Respondent Stenner Financial Services Ltd. He is the father of Thane Stenner (Thane), one of the Applicants, and of Vanessa Stenner (Vanessa) who at times used the last name Stenner-Campbell until her marriage terminated.

[5] Gordon started in the financial services business in 1963 and was only ever licensed to sell mutual funds in British Columbia. He established Stenner Financial Services Ltd. (SFS) in 1983 licensed as a mutual fund dealer. The company was put into receivership in 1988 and lost its licences. It came out of receivership but never reacquired its licence.

[6] The evidence establishes that SFS has not provided financial services since 1988, and it has not filed returns since 1988 because it has had no income.

[7] Gordon declared bankruptcy upon the receivership of SFS in 1988 but was eventually able to rebuild his career through working for various companies, always as an employee.

[8] At these various companies he called the group of people who worked closely with him on his book of business “The Stenner Team” and names similar to this. He also did radio and TV shows under the name the “Stenner Report” and developed some investment strategies under the name the “Stenner System”. He claimed but could not substantiate that he spent \$8 million on advertising his so-called brand.

[9] Gordon became involved in vicious litigation with his daughter Vanessa, who had worked for her father, over the sale of his business to a third party which she believed had been promised to her. Gordon claimed that Vanessa had been in breach of her obligations. The judgment of Justice Holmes of the BC Supreme Court (BCSC) is relied upon by the Respondent since Gordon’s claim against his daughter and others was upheld. One part of the judgment touched upon trade-mark infringement.

[10] Vanessa, not a party to this expungement litigation, worked for her father until their falling out in 2002-2003. The evidence establishes that Vanessa is well recognized locally as a financial

advisor. She used her last name and her married name “Stenner-Campbell” in her advertising, published articles and other forms of publicity.

[11] Thane is a registered full service financial advisor (licensed to sell all types of investments including mutual funds, stocks and bonds). Although he began work with his father, he has gone on his own and carved his own career. He uses his last name in his business advertising and has registered the names Stenner Investment Team, The Stenner Group and Stenner Investment Partners with the Investment Dealers’ Association of Canada. He also sought a trade-mark registration for the name The Stenner Group.

[12] Both Thane and the Applicant, CIBC World Markets (CIBC), Thane’s employer for several years, received letters threatening them with a lawsuit by Gordon alleging trade-mark infringement and passing off.

[13] On January 21, 2003, Gordon had applied for the trade-mark “STENNER”. The Registrar initially refused registration because the proposed mark was a surname which is not registrable under s. 12(1)(a) of the Act.

[14] Gordon’s response was to file further evidence that the name had been used by SFS and that it had acquired distinctiveness in the industry. The trade-mark was eventually registered.

[15] Thane tried to register the trade-mark “The Stenner Group” but registration was denied on the basis that it “had been used in Canada since at least as early as July 2002 on services” and that there was “proposed use in Canada on wares”. This decision was based on SFS/Gordon’s trade-mark application. Thane did not appeal the decision and his application was abandoned.

[16] This litigation has been as hard fought as was the action in the BCSC. The BCSC judgment describes a poisoned relationship between parents and their children (and almost anyone else caught up in the events). The personal machinations are largely irrelevant to the issue before this Court which is:

Should the “STENNER” trade mark be declared invalid and expunged by reason that:

- (a) it was not registrable at the date of registration because “Stenner” is a surname and it had not become distinctive of the wares and services claimed;
- (b) it was not distinctive at the time of the commencement of the expungement proceedings;
- (c) it was obtained by material misrepresentation to the Registrar of Trade Marks; and
- (d) public policy and public interest requires i) that it be declared invalid because of the actions of the Respondent or ii) that it not be declared invalid because of the actions of the Applicant.

### III. ANALYSIS

#### A. *Preliminary Matters*

##### (1) Jurisdiction

[17] The Federal Court is the only court with jurisdiction to expunge a trade-mark registration. This jurisdiction is conferred by s. 57 of the Act. For reasons to be discussed, the decision of the BCSC in *Stenner v Scotia Capital Inc.*, 2007 BCSC 1377, does not bind this Court nor is there any validity to the suggestion that Justice Holmes intended to rule on infringement and validity of the trade-mark.

[18] Although this litigation was framed as an application, this proceeding is not a judicial review and the issue is not the reasonableness of the decision to register the “STENNER” trade-mark. As stated in *General Motors of Canada v. Décarie Motors Inc.* (C.A.), [2001] 1 FC 665, the Court exercises original jurisdiction and must approach the issues in the litigation with “a fresh mind”. The Respondent’s extensive reliance on the Registrar’s decision is misplaced.

##### (2) Standing

[19] As to the issue of standing to bring this proceeding, the Applicants are “interested persons” as that term is defined in s. 2 of the Act.

“person interested”	« personne intéressée »
« <i>personne intéressée</i> »	“ <i>person interested</i> ”

“person interested” includes	« personne intéressée » Sont
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any person who is affected or reasonably apprehends that he may be affected by any entry in the register, or by any act or omission or contemplated act or omission under or contrary to this Act, and includes the Attorney General of Canada;

assimilés à une personne intéressée le procureur général du Canada et quiconque est atteint ou a des motifs valables d'appréhender qu'il sera atteint par une inscription dans le registre, ou par tout acte ou omission, ou tout acte ou omission projeté, sous le régime ou à l'encontre de la présente loi.

[20] Not only is standing a *de minimus* threshold (see *John Labatt Ltd. v. Carling Breweries Ltd.* (1974), 18 C.P.R. (2d) 15 (Fed. T.D.)), but *Fox on Trade-marks* sets out the interests which are acknowledged:

(1) a person who has, before registration, used the trademark; (2) a person whose application to register a trademark has been refused on the ground of the prior registration of the trademark sought to be expunged; (3) a person charged with infringement or passing off; (4) a person of whose business is likely hampered or prejudiced because the registration interferes with a desire to use the trademark as a description of that person's ware's or services...

[K. Gill and R. S. Jolliffe, *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4th ed. Toronto: Carswell, 2002, at pp. 11-28.]

[21] CIBC received a letter from the Respondent threatening litigation in respect to the trademark. Even though Thane has left CIBC's employment, CIBC has an interest to protect by reason of the threatened litigation. Thane's standing falls into at least three of the four categories outlined by *Fox*.

[22] The Applicants are not barred by s. 57(2) from bringing these proceedings. Neither of them opposed the registration, neither received express notice of the decision and thus neither had an opportunity to appeal the decision.

**57. (2)** No person is entitled to institute under this section any proceeding calling into question any decision given by the Registrar of which that person had express notice and from which he had a right to appeal.

**57. (2)** Personne n'a le droit d'intenter, en vertu du présent article, des procédures mettant en question une décision rendue par le registraire, de laquelle cette personne avait reçu un avis formel et dont elle avait le droit d'interjeter appel.

B. *Evidence*

[23] The Applicants rely heavily on the use by Thane and Vanessa of the name “Stenner” in various advertisements, articles and other marketing materials with respect to the issue of distinctiveness. The Respondent relies in part on the same evidence to claim infringement. Then each party takes issue with the other’s evidence as inadmissible due to being hearsay or opinion evidence.

[24] The Respondent’s evidence from individuals was designed to establish the fact that they associate the name “Stenner” and its various forms with Gordon. This is evidence of the effect of the word “Stenner” on their mind and is not the same type of evidence as used in *Molson Breweries v. John Labatt Ltd.*, [2000] 3 F.C. 145 (C.A) where an executive tried to describe what was in the public’s mind.

[25] While that evidence from friends and customers is admissible, it is not persuasive. Some witnesses changed aspects of their evidence, some seemed confused about which “Stenner” was involved, some had very dated information. This evidence is not representative of the general public and its perceptions or associations (see *Joseph E. Seagram & Sons Ltd. v. Canada (Registrar of Trade Marks)* (1990), 38 F.T.R. 96).

[26] The Applicants’ critical evidence from an expert, discussed later, is far more persuasive on this point of what the general public associated with the name “Stenner”.

[27] The Applicants’ attack on Gordon’s evidence of spending \$8 million on advertising (referred to in paragraph 8 hereof) is well founded but not on the basis of being hearsay. While the evidence comes from his wife and allegedly contravenes Rule 81, this Federal Court of Appeal in *Ethier v. Canada (Royal Canadian Mounted Police (RCMP), Commissioner)*, [1993] 2 F.C. 659 (C.A.) has tempered the Rule where admissibility is based on reliability and necessity.

[28] Gordon’s evidence would be admissible at least on the grounds of corporate evidence but it lacks probative value and carries little weight. There is no evidence which gives substance to the amount, no corporate records, nor financial statements nor similar evidence. The bald statement of \$8 million without more substantiation essentially deprived the Applicants of a basis for meaningful cross-examination on this point.

[29] The Court puts little weight on Gordon's self serving statements that are in reality opinion evidence of how distinctive the trade-mark is. In that regard Gordon's evidence is similar to that of the Molson executive in *Molson Breweries*, above, where he expressed an opinion of how others perceived the mark.

[30] A startling aspect of this proceeding is that the complete version of Gordon's affidavit filed with the Trade-marks Office was never put in evidence by either side, yet both relied on it. Only the affidavit without exhibits was in evidence. The Applicants alleged that the Registrar was materially misled by Gordon – the burden of proof resting on the Applicants. The Respondent relies on that affidavit as evidence of distinctiveness – a proposition difficult to prove without the exhibits. Neither side can gain from this evidentiary lacuna.

[31] The Applicants rely on the affidavit of Dr. Ruth Corbin to show that the name "Stenner" alone had not acquired distinctiveness in the minds of the public. This evidence directly challenges the affidavits of Gordon's friends and customers described in paragraphs 24 and 25.

[32] Corbin's evidence is that the name "Stenner" had virtually no recognition outside Vancouver and the Lower Mainland. Inside Vancouver there was a 16.8% recognition of the name in relation to financial services or products but generally not in relation to any particular person or company. To the extent that there was recognition of a particular person, there was little difference between Gordon (2.6%) and Vanessa (1.8%) with Thane having the lowest recognition factor (0.4%).

[33] While the Respondent takes issue with the survey, its admissibility, its methodology and its conclusions, the Court accepts the survey in each of these aspects. Survey evidence in trade-mark proceedings has been admitted (see *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22) so long as it is presented through an expert, its findings are relevant to the issues, the survey was properly designed and conducted impartially. The survey must be reliable and valid – that the proper questions were asked, in the correct way to the right people.

[34] While proceedings without *viva voce* evidence pose some differences regarding expert evidence and the manner in which an affiant's qualifications are tested, the Respondent took no steps to object to or to limit Dr. Corbin's qualification as an expert. Dr. Corbin has been accepted in other cases in the Federal Court as an expert in the field of surveys. She has the education and work experience which justifies her being accepted as an expert in her field. Since the Court accepts Dr. Corbin's evidence as expert opinion, the next issue is the weight to be given her evidence.

[35] The survey dealt with the relevant issue of name recognition in the context of distinctiveness. The "universe" of consumers chosen is reasonable – the consuming public for the type of product with which the impugned trade-mark is used. There is no basis to suggest that the results have been skewed or distorted. The Respondent has put in no other compelling evidence nor counter expert evidence to support the objections to this survey evidence. Therefore, there is no basis upon which to discount the significant weight that this expert uncontroverted evidence should be given.

C. *Distinctiveness at Time of Application*

[36] This central issue, while pleaded in different tranches, encompasses whether the trade-mark was registrable at the time of registration with the Trade-Marks Office because it was distinctive and if so, whether the mark lost its distinctiveness.

[37] The parties argued about the “shifting onus” – that the Respondent had to establish that it was entitled to the exception from the prohibition against surnames and if established, the Applicants had the onus to show that the mark is not valid or never was valid.

[38] The shifting onus myth needs to be dispelled. The Respondent has a trade-mark which is presumed to be valid. The onus to prove that the mark should be expunged rests with the person seeking the expungement. That principle is made clear in *Emall.ca Inc. (c.o.b. Cheaptickets.ca) v. Cheap Tickets and Travel Inc.* (F.C.A.), 2008 FCA 50 at para. 12 and the onus does not bounce between parties.

The presumption of validity established by section 19 of the *Trade-marks Act* is analogous to the presumption of validity of a patent in section 45 [as am. by S.C. 2001, c. 10, s. 1] 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.

[39] The Applicants contend that the registration of the mark was obtained by misrepresentation and therefore was never valid. The core of that position rests on the allegation that Gordon's affidavit filed with the Registrar contained materially false misstatements or was subject to material omissions. The Applicants point to such matters as that SFS was not incorporated until 1983 and that it did no business after 1988. In addition, Gordon was out of business as of March 2003. The Applicants point to the absence of substantiation for the \$8 million in marketing claimed by Gordon and the non-disclosure of the fact that Gordon used his name in conjunction with other words and while he was an employee of different organizations.

[40] The Applicants raise valid concerns; they put in issue the forthrightness of Gordon's evidence before the Registrar. However, having not put into evidence Gordon's complete affidavit, they have not met the onus of establishing misrepresentation and omission. The Applicants have left too much speculation to justify this type of findings.

[41] Having "dodged the bullet" on this issue, the Respondent cannot seek further cover from the BCSC's decision in *Gordon Stenner v. ScotiaMcLeod et al.* That decision related to the business relationship between Vanessa and her father Gordon. The trade-mark and passing off aspects of that litigation arose in the context of the long working relationship between the two, the breakup of that relationship and the solicitation of Gordon's clients.

[42] The BCSC's focus and its jurisdiction were not the same as this Court. The critical evidence was not the same. Finally, on the issue of the validity of the trade-mark, the BCSC was equivocal and guarded. It specifically declined to decide the matter.

I decline to declare the trademark in the circumstances to be invalid  
at this time.

[emphasis added]

[43] The Applicants have shown that any use of the name "Stenner" was always in conjunction with other words – "group" or "team" or similar terms. The evidence shows that Stenner was a surname and not one which acquired its own distinctiveness. The continually changing use of other words in conjunction with "Stenner" detracts from any suggestion that "Stenner" had acquired distinctiveness itself.

[44] The requirement for the name mark to stand alone was emphasized in *General Motors*, above, at para. 34:

The advertisements and other documents filed by the respondent are of no effect since they are not specifically related to car dealings. On the other hand, one cannot escape the fact that in none of the respondents' advertising can one find the word DÉCARIE used by itself as a mark. The marks DÉCARIE MOTORS or LES MOTEURS DÉCARIE appear at all times. The word DÉCARIE, standing alone as "Come to Décarie" or "Drop by Décarie", appears only in the text of the ads while DÉCARIE MOTORS or LES MOTEURS DÉCARIE appears prominently in bold capital letters. This, in itself, is an indication that the use of the mark DÉCARIE, standing alone, has been weak, if not absent. The word Décarie can only be found in the title of an article on the Segal family and their business which reads "Family Ties Keep Décarie Going Strong". Again, however, the text of the article makes it clear that what was being referred to in the title was Décarie Motors.

[45] The Respondent has not countered the Applicants' evidence with proof that the word "Stenner" – the actual mark – was used alone; much less that it had acquired distinctiveness. The Respondent placed undue emphasis on the presumption of validity raised by the Registrar's decision in the face of evidence that the mark had not been used. The absence of use of the actual word/mark "Stenner" alone in conjunction with services or wares would justify expungement.

[46] The Applicants have established that at the time of registration neither Gordon nor his business were using the trade-mark and that circumstance did not change.

[47] Even if the name "Stenner" was a valid mark at the time registration was granted, whatever distinctiveness it may have had was lost by the time of this s. 57 application. The facts raised earlier, the absence of use and the results of the expert evidence establish this lack of distinctiveness.

[48] The use by Vanessa and Thane of their own name in business does not establish their entitlement to the mark (there is no claim of confusion) but it does point to a lack of distinctiveness in "Stenner".

**35** In addition, the evidence reveals that the word Décarie referred in the community to a well-known boulevard in Montréal, and that it was being used by other merchants and traders operating along or in the vicinity of that location. As a matter of fact, either at the time of the registration of the mark DÉCARIE by the Registrar who was not aware of this or at the time of the expungement proceedings, there were at least two users of the name Décarie associated with the sale of automobiles: the appellant and Décarie Saturn Saab Isuzu. This is, in my view, a significant circumstance

which, combined with the limited use of the mark DÉCARIE by the respondent, militates against a finding that the word DÉCARIE, standing alone, had acquired such a distinctiveness as to refer to the wares and services of the respondent.

...

**37** I believe, however, that the non-exclusive use of a mark is one of the circumstances to be taken into account in assessing distinctiveness, particularly where the mark is inherently weak. H. G. Fox expressed in the following terms the rule applicable in such matter:

The extent to which a tribunal will be influenced by a claim of distinctiveness must depend upon all the circumstances including the area within which and the time during which such distinctiveness in fact can be predicated of the mark in question. [Emphasis added.]

*General Motors*, above

[49] Given the above findings, it is not strictly necessary to decide whether the mark should be expunged on public policy grounds. There was a dearth of argument on this issue. However, a trade-mark is a monopoly and names are *prima facie* unregistrable because they create a monopoly over one's name as was attempted here. It would be inequitable, except in the clearest of cases, for a parent to claim a monopoly over the family name, and preclude their children from using it. This is not one of those cases.

[50] Therefore, an order will issue granting these applications with costs and ordering the Registrar of Trade-Marks to expunge registration number TMA 639,953.

**JUDGMENT**

**THIS COURT ORDERS AND ADJUDGES that** these applications are granted with costs, and the Registrar of Trade Marks is to expunge registration number TMA 639,953.

“Michael L. Phelan”

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Judge

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-2216-07

**STYLE OF CAUSE:** CIBC WORLD MARKETS INC.

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**DOCKET:** T-2217-07

**STYLE OF CAUSE:** THANE STENNER

and

STENNER FINANCIAL SERVICES LTD.

**PLACE OF HEARING:** Vancouver, British Columbia

**DATE OF HEARING:** December 1, 2 and 3, 2009

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

**DATED:** April 13, 2010

**APPEARANCES:**

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