



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2016 TMOB 100
Date of Decision: 2016-06-29

IN THE MATTER OF OPPOSITIONS

Bremont Watch Company Limited	Opponent
and	
Bremont Homes Corporation	Applicant
1,557,052 for BREMONT, 1,557,053 for BREMONT Design, 1,557,056 for BREMONT HOMES DESIGNED FOR LIVING & Design, and 1,557,064 for BREMONT HOMES & Design	Applications

[1] Bremont Watch Company Limited opposes registration of the trade-marks BREMONT, BREMONT design, BREMONT HOMES DESIGNED FOR LIVING & Design, and BREMONT HOMES & Design (collectively, the Marks), which are the subject of application Nos. 1,557,052, 1,557,053, 1,557,056, and 1,557,064 respectively, by Bremont Homes Corporation. The latter three trade-marks, which incorporate design elements, are shown below:

The logo for BREMONT, featuring the word "BREMONT" in a stylized, serif font.The logo for BREMONT HOMES, featuring a leaf icon above the word "BREMONT" in a serif font, with "HOMES" in a smaller font below it, and the tagline "Designed for Living" at the bottom.The logo for BREMONT HOMES, featuring the word "BREMONT" in a serif font, with "HOMES" in a smaller font below it.

[2] Each of the applications claims use and proposed use of the trade-mark in Canada in association with goods and services as follows:

Goods

- (1) Promotional items, namely, T-shirts. (Used in CANADA since as early as 2005)
- (2) Promotional items, namely, jackets. (Used in CANADA since as early as 2006)
- (3) Promotional items, namely, gift baskets containing chocolates, sandwiches, toy watches, costume jewellery, flowers, baseball caps, T-shirts, sweaters, jackets, and gloves; blankets; robes and towels. (Used in CANADA since as early as 2007)
- (4) Promotional items, namely, pens, golf shirts, construction helmets, caps, watches, folders for daily planners. (Proposed Use in CANADA)

Services

- (1) Real estate development services, and construction and sale of residential homes. (Used in CANADA since at least as early as 2005)

[3] The Opponent has opposed each of the applications for the Marks on the basis that: (i) the applications do not conform to the requirements of section 30 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act); (ii) the Applicant is not entitled to registration of the Marks under section 16 of the Act; and (iii) the Marks are not distinctive under section 2 of the Act. The precise grounds put forth in the statement of opposition will be reproduced within the decision below, as certain grounds pertain to only specific goods, or allegations within the grounds of opposition differ with respect to particular goods. Further, I note that only the ground of opposition based upon section 30(i) of the Act makes any reference to the services in the applications; otherwise, all other grounds of opposition have been plead with respect to goods only.

[4] For the reasons that follow, I refuse the applications with respect to the goods only.

The Record, Onus and Material Dates

[5] The applications for the Marks were filed on December 19, 2011.

[6] Three of the Marks were advertised for opposition purposes in the *Trade-marks Journal* dated May 22, 2013, while the remaining trade-mark application No. 1,557,064 was advertised for opposition purposes in the *Trade-marks Journal* dated June 19, 2013. On July 15, 2013, the Opponent filed statements of opposition to oppose each of the Marks under section 38 of the Act. The Applicant then filed and served its counter statements on October 31, 2013.

[7] In support of its oppositions, as its evidence in chief, the Opponent filed the affidavit of Giles English, sworn April 9, 2014, together with Exhibits A through Q. This evidence is identical with respect to all four opposition proceedings. Mr. English was not cross-examined on his affidavit.

[8] In support of its application, the Applicant filed the affidavit of Gary Breda, sworn August 25, 2014, together with Exhibits A through Z. Mr. Breda was cross-examined on his affidavit on December 17, 2014. A copy of the transcript of the cross-examination is on file, as well as responses to undertakings and a certified copy of the evidence filed in section 45 proceedings regarding trade-mark registration TMA704,139 (BREMONT), also owned by the Applicant. As with the Opponent's evidence, the Applicant's evidence is identical with respect to all four opposition proceedings.

[9] As its reply evidence, the Opponent filed an affidavit of Jocelyn Yurick, sworn March 6, 2015, together with Exhibits A through E. Once again, this evidence is identical with respect to all four opposition proceedings. Ms. Yurick was not cross-examined on her affidavit.

[10] Both parties filed written arguments and were represented at a hearing.

[11] Shortly before the hearing, the Opponent requested leave to file amended statements of opposition with respect to each of the subject applications, to add "clarification" to its ground of opposition based upon section 30(e) of the Act. I will discuss the request to amend the statements of opposition in my analysis under the section 30(e) ground.

[12] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could be reasonably concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD); *Dion Neckwear Ltd v Christian Dior, SA et al*, 2002 FCA 29, 20 CPR (4th) 155; and *Wrangler Apparel Corp v The Timberland Company*, 2005 FC 722, 41 CPR (4th) 223].

[13] With respect to the grounds of opposition, it is the following material dates that apply:

- Sections 38(2)(a)/30 - the filing date of the application, namely, December 19, 2011 [see *Georgia-Pacific Corporation v Scott Paper Ltd* (1984), 3 CPR (3d) 469 at 475 (TMOB) re: section 30(b); *Canadian Railway Co v Schwauss* (1991), 35 CPR (3d) 90 at 94 (TMOB) re: section 30(e); and *Tower Conference Management Co v Canadian Exhibition Management Inc* (1990), 28 CPR (3d) 428 at 432 (TMOB) re: section 30(i)];
- Sections 38(2)(c)/16(3)(a) and (c) – the date of filing the application, namely, December 19, 2011 [see section 16(3) of the Act].; and
- Sections 38(2)(d)/2 – the date of filing of the statement of opposition, namely, April 19, 2013 [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Overview of the Parties' Evidence

The Opponent's Rule 41 Evidence

The English Affidavit

[14] Mr. English is the co-founder of the Opponent, and has held this position since 2002 when it was formed.

[15] He explains that the Opponent is a British manufacturer of luxury chronometers and timepieces, including watches, and has authorized dealers in countries around the world, including Canada. All of the watches, he attests, are displayed on the Owner's website at www.bremont.com, along with other information about the Opponent, its BREMONT watches

and chronometers, partnerships, authorized dealers, and Bremont Watch boutiques. In support, he provides, as Exhibit B to his affidavit, printouts from the website, as well as web traffic statistics (Exhibit C) for the period December 2008 to December 2011 which indicate that there were 15,360 visits to the site originating from Canada. In addition, he provides, as Exhibit D to his affidavit, printouts from the Opponent's website which indicate that L'Oro Jewellery, located in Toronto, Ontario, is one such authorized dealer in Canada.

[16] Mr. English attests that the Opponent has been continuously selling its BREMONT watches in Canada since at least as early as January 2010 through its authorized dealer, L'Oro Jewellery. He attaches as Exhibit E to his affidavit, a representative sample of an invoice issued to L'Oro Jewellery dated November 15, 2011 in the amount of \$26,785 which he attests relates to the sale of BREMONT watches, as well as representative images of the BREMONT watches related to said invoice. The word BREMONT is clearly displayed on the watch faces.

[17] With respect to advertising and promotion of the BREMONT watches, Mr. English explains that since 2010, the Opponent has expended in excess of GBP16,000 (British Pounds) in North America. He describes several forms or mediums for advertisement, which include a watch launch event held in conjunction with a fundraising event for hospital located in Southern Ontario on April 13, 2012. He attests that during the entire event, the BREMONT watches were on public display. Further to this, he provides a Facebook advertisement for the charitable event which features a BREMONT watch (Exhibit F), and photographs taken from the event showing BREMONT watches on display (Exhibit G).

[18] In addition to the aforementioned promotion of BREMONT watches, Mr. English explains that the Opponent advertises in various print and online publications. In support, he provides as Exhibit I, representative advertisements placed in a variety of publications, ranging in dates from April 2008 to October 2011. I note that some of the names of the publications suggest they are either in-flight publications or publications specific to the watch/timepiece industry. He does not provide Canadian circulation figures for the publications; he simply states that these advertisements are typical representations of the manner in which the Opponent has and continues to promote and advertise its BREMONT watches worldwide, including in Canada.

[19] Mr. English provides further evidence that the Opponent advertises and promotes its BREMONT watches through what appear to be various in-flight and industry specific publications. In this regard, Mr. English attests that since 2010, the Opponent has advertised its BREMONT watches through British Airways publications distributed both in-flight on long haul cross-continental flights and in VIP and First Class lounges. He attests that British Airways offers frequent direct flights between the United Kingdom and Canada. In addition, Mr. English provides copies of advertisements which clearly feature the Opponent's BREMONT watches in Flight Journal, dated July 15, 2011 and United Hemispheres, dated November 2010 (Exhibits K and M, respectively) and associated invoices for the placement of the respective ads (Exhibits J and L).

[20] Lastly, Mr. English provides a copy of an invoice relating to the placement of an electronic banner advertisement on the website *www.timezone.com* (Exhibit N). He also provides excerpts from a majority of the 1158 matches obtained from the website's public forum search for "Bremont" (Exhibit O), representative entries for the years 2010-2013, also obtained from the website's public forum discussion board regarding BREMONT watches (Exhibit P), and representative blogs, press releases, articles and interviews appearing on the website relating to BREMONT watches and/or the Opponent that occurred in the years 2010 through 2014 (Exhibit Q). I note that only one such entry on the website's public forum discussion board (Exhibit P), lists the registered participant's location as being in Canada.

[21] Mr. English then concludes his affidavit by stating that given that BREMONT watches are associated with high quality and often used for co-branding of luxury products and services, he believes that any Canadian consumer would be misled into believing that any watches offered by the Applicant are genuine BREMONT watches manufactured by the Opponent or manufactured with the approval of the Opponent.

The Applicant's Rule 42 Evidence

The Breda Affidavit

[22] As the grounds of opposition are only in respect of the applied-for goods, I will generally not embark upon a summary or discussion of the evidence in great detail with respect to the applied-for services.

[23] In his affidavit, Mr. Breda attests that he has been the President of the Applicant since May 2004, and that the Applicant has been building homes in Ontario for the past 10 years.

[24] He attests that the name BREMONT was chosen based on the first three letters of his family name, BREDA, and the first four letters of MONTANA, which he states is the Italian word for mountain.

[25] Mr. Breda attests that as part of the Applicant's advertising and promotion, the Applicant also distributes promotional items bearing the BREMONT-based marks. He states that the promotional items are distributed in connection with, and during the course of, the sale of a new home, and as an example, he explains that a gift basket containing promotional items is left inside the newly purchased home as a welcome promotional gift. He further indicates that such items are also distributed to industry professionals and prospective purchasers.

[26] He attests that as of the filing date of the four applications, the Applicant has distributed t-shirts since at least as early as 2005, jackets since at least as early as 2006, and gift baskets containing chocolates, sandwiches, toy watches, costume jewellery, flowers, baseball caps, sweaters, jacket and gloves; blankets; robes and towels since at least as early as 2007. He further attests that at the filing date of the applications, the Applicant intended to distribute the remaining goods listed in the applications, namely promotional items, namely, pens, golf shirts, construction helmets, caps, watches, folders for daily planners.

[27] In support of the aforementioned statements, Mr. Breda provides the following:

Exhibit P – a photograph of a t-shirt which displays the words BREMONT HOMES DESIGNED FOR LIVING and a leaf design (as per application 1,557 ,056). He

states that this t-shirt is representative of t-shirts that the Applicant began distributing in 2005, and continues to distribute, during the promotion and sale of new homes.

Exhibit Q – photographs of two jackets provided to the Applicant’s customers, wherein the back of the jackets display the words BREMONT HOMES DESIGNED FOR LIVING and a leaf design (as per application 1,557,056). Mr. Breda attests that the jackets depicted in this exhibit are representative of jackets distributed beginning in 2006, and which continue to be distributed, during the promotion and sale of new homes.

Exhibits R-W – photographs respectively of a blanket, a robe, towels, keys and key chains, bags, and a hygrometer that Mr. Breda attests are provided as promotional items to customers over the course of a sale of a home. The goods in this case display the words BREMONT HOMES DESIGNED FOR LIVING and a leaf design (as per application 1,557,056), BREMONT HOMES and leaf design (as per application 1,557,064), or BREMONT design (as per application 1,557,053). He states that the Applicant began distributing these items in 2007 and continues to do so. Only the towels and keys and key chains are stated to be representative of those distributed since 2007.

Exhibit X – photographs of folders for daily planners that are provided to the Applicant’s customers, which display the words BREMONT HOMES and leaf design (as per application 1,557,064), which he states have been distributed during the promotion and sale of new homes since 2007, and continue to be so distributed.

Exhibit Y – photographs of two watches, which Mr. Breda attests are examples of watches that are provided as promotional items to the Applicant’s customers over the course of a sale. The watches display the words BREMONT HOMES DESIGNED FOR LIVING and a leaf design (as per application 1,557,056). He states that the watches have been distributed during the promotion and sale of new homes since 2007. He further states that the Applicant does not advertise and sell watches and that these promotional watches are not available for purchase at any jewellery stores or other retail locations where watches are available for sale. He adds that the Applicant’s promotional watches are not luxurious and have a value of approximately \$80.

Transcript of Cross-Examination of Mr. Breda

[28] A certified copy of the evidence filed with respect to section 45 proceedings pertaining to trade-mark registration TMA704,139, for the trade-mark BREMONT, owned by the Applicant, was filed as Exhibit 1 to the cross-examination. The transcript of the cross-examination indicates that Mr. Breda was asked and confirmed that the evidence filed in that proceeding was also an affidavit sworn by him.

[29] As per the remainder of the transcript of the cross-examination of Mr. Breda and responses to undertakings, I will discuss any relevant points within the analysis of the various grounds of opposition below.

The Opponent's Rule 43 Reply Evidence

The Yurick Affidavit

[30] Ms. Yurick is an independent administrative assistant retained by the agents for the Applicant.

[31] Ms. Yurick's affidavit provides the following:

Exhibit A – the results of a WHOIS search of the domain name *www.bremonthomes.com* referenced in both Mr. Breda's affidavit and in his answers to undertakings, which lists the creation date of the domain name to be August 18, 2004, with the Registrant's name as Gary Breda and the Registrant Organization as "Onyx Homes Inc."

Exhibit B – the results of a NUANS® Preliminary Search conducted on February 17, 2015 of "Onyx Homes Inc.", which lists "Jurisdiction & Number ON-0002013669, Date 2002J/11, and Additional Information 2008Jn21 Bus_Corp Active WOODBRIDGE".

Exhibit C – Google® search results for "online dictionaries" and printouts of the results of various online dictionary definitions of "toy" from Dictionary.com, Collins English Dictionary, and Merriam-Webster.

Exhibit D – the results of a NUANS® Preliminary Search conducted on February 18, 2015 of each of the legal entities listed in Mr. Breda's Answers to Undertakings No. 12.

Exhibits E1-E10 - Google® search results conducted between January 21, 2015 and February 4, 2015 for several of the legal entities listed in Mr. Breda's Answers to Undertakings No. 12.

Non-Compliance Grounds of Opposition

Section 30(b)

[32] The Opponent has plead that the Applicant did not use the Marks in Canada in association with each and every good listed in goods (1), (2), and (3) of the applications, since

the dates of first use claimed, and did not use the Marks as trade-marks in Canada pursuant to sections 2 and 4(1) of the Act, namely for the purpose of distinguishing or so as to distinguish its goods and/or in the normal course of trade.

[33] Section 30(b) requires that there be continuous use of the applied-for trade-mark in the normal course of trade from the date claimed to the filing date of the application [*Labatt Brewing Co v Benson & Hedges (Canada) Ltd* (1996), 67 CPR (3d) 258 (FCTD) at 262]. The requirements for use are set out in section 4(1) of the Act as follows:

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

[34] While the legal burden is upon an applicant to show that its application complies with section 30 of the Act, there is an initial evidential burden on an opponent to establish the facts relied upon by it in support of its section 30 ground [see *Joseph E Seagram & Sons Ltd v Seagram Real Estate Ltd* (1984), 3 CPR (3d) 325 at 329 (TMOB); and *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD)]. With respect to section 30(b) of the Act in particular, an opponent's initial burden has been characterized as light due to an opponent's limited access to information regarding use relative to the applicant. While an opponent can meet its initial burden by reference to its own evidence, its burden can in some cases be met with reference to the applicant's evidence [*Corporativo de Marcas GJB, SA De CV v Bacardi & Company Ltd* 2014 FC 323 (CanLII); *Molson Canada v Anheuser-Busch Inc* 2003 FC 1287; 2003 FC 1287 (CanLII), 29 CPR (4th) 315 (FC)], and an opponent can rely upon cross-examination of an applicant's affiant to meet the evidential burden upon it [see *Coca-Cola Ltd v Compagnie Francaise de Commerce International Cofci, SA* (1991), 35 CPR (3d) 406 (TMOB)]. However, it has been held that in order to do so, the opponent must show that the evidence is "clearly inconsistent" with the claims set forth in its application [see *Ivy Lea Shirt Co v 1227624 Ontario Ltd* (1999), 2 CPR (4th) 562 at 565-6 (TMOB), aff'd 11 CPR (4th) 489 (FCTD)].

[35] In a more recent decision, the Federal Court has described this "clearly inconsistent" burden as being slightly higher than the lesser burden imposed on an opponent who may rely on

its own evidence under this ground [per *Marcas, supra*]. The Federal Court has indicated that an opponent may successfully rely upon an applicant's evidence to meet its initial burden if the opponent shows that the applicant's evidence puts into issue the claims set forth in the applicant's application. That is, the key issue is whether non-use has been established on a balance of probabilities. On this issue, all of the pertinent evidence of record is to be assessed according to the normal criteria, that is, taking into consideration "its provenance (including its quality and reliability), the absence of evidence that might reasonably be expected to exist, and whether it has been tested on cross-examination and if so, how it fared. Multiple diverse considerations inform the assessment of evidence" [*Marcas, supra*].

[36] If an opponent succeeds in discharging its initial evidential burden, the applicant must then, in response, substantiate its claim of use during the material time. However, while an opponent is entitled to rely on the applicant's evidence to meet its evidential burden, the applicant is under no obligation to evidence its claimed date of first use if this date is not first put into issue by an opponent meeting its evidential burden [see *Kingsley v Ironclad Games Corporation*, 2016 TMOB 19 (CanLII), at para 63].

[37] The Applicant submits that the Opponent has adduced no evidence to support this ground of opposition and, accordingly, it should fail. However, in the present case, the Opponent is relying upon both the Applicant's evidence as well as the cross-examination of the Applicant's affiant in order to meet its evidential burden. In this regard, the Opponent submits that the Applicant's evidence does not specify how goods (1) and (2) were distributed to potential customers during the promotion and sales of new homes, and is also silent on whether all or some of the Applicant's potential customers received all or some of goods (1), (2), and (3) during such promotion and sales activities. Further to this, the Opponent submits that it is also uncertain from the Applicant's evidence whether the Applicant's practice of leaving the gift baskets listed in goods (3) inside newly purchased homes was a consistent practice of the Applicant for promoting its services, or merely an ad hoc promotional activity.

[38] The Opponent submits that notwithstanding the uncertainties regarding the Applicant's practices for distributing its goods, the case of *Lin Trading Co v CBM Kabushiki Kaisha* (1985), 5 CPR (3d) 27 (TMOB), affirmed (1987), 14 CPR (3d) 32 (FC), and (1988), 21 CPR (3d) 417

(FCA), stands for the proposition that the term “normal course of trade”, should be interpreted as requiring that the transfer be a part of a dealing in the goods for the purpose of acquiring goodwill and profits from the marked goods.

[39] As applied to the present case, the Opponent submits, while the Applicant’s distribution of goods to customers and prospective customers of the Applicant’s services might result in the Applicant’s Marks acquiring goodwill, it is clear that the Applicant has not received any monetary compensation for its goods. In this regard, the Opponent notes for example, that at paragraph 24 of his affidavit, Mr. Breda states that upon the purchase of a new home, a gift basket containing promotional items is left inside the newly purchased home as a welcome promotional gift. The Opponent also relies on admissions contained in answers to Q110 and 114 of the transcript of Mr. Breda’s cross-examination that the Applicant has never sold any of the goods (1), (2), or (3). Further to this, the Opponent points out that the answer to Q113 of the transcript of Mr. Breda’s cross-examination contains an admission that the Applicant has not even decided whether it intends to sell its goods at retail.

[40] Any distribution of these goods, the Opponent submits, was in relation to the Applicant’s services of selling homes and for no other purpose, and distribution merely for the purposes of promoting one’s own services is not use in the normal course of trade [citing *Riches, McKenzie & Herbert LLP v Park Pontiac Buick GMC Ltd* (2005), 50 CPR (4th) 391 (TMOB); *Smart & Biggar v Sutter Hill Corporation*, 2012 TMOB 121; *Kids’ Club Media, LLC v Kyle*, 2014 TMOB 134 (CanLII); and *Oyen Wiggs Green v Flora Manufacturing and Distributing*, 2014 TMOB 105 (CanLII)].

[41] The Applicant on the other hand, submits that notwithstanding the lack of evidence filed by the Opponent, that it has, in fact, used the Marks in the normal course of trade in association with goods (1), (2), and (3). In this regard, the Applicant submits that the evidence as a whole supports such use, including the numerous exhibits to Mr. Breda’s affidavit, which contain photographs of various goods displaying the Marks. The Applicant submits that the goods have been transferred for the purpose of acquiring goodwill and profits [per *Lin Trading, supra*], as Mr. Breda has described in his affidavit that goods (1), (2), and (3) have been, and continue to be, distributed over the course of a sale of a new home to entice customers, and are also left

inside the newly purchased home as a welcome promotional gift to affirm the Applicant's commitment to customer satisfaction. The Applicant submits that such promotional distribution of the goods is a goodwill building practice associated with the Marks, and that the distribution of the goods is intended to generate profits. Furthermore, the Applicant submits that Mr. Breda attests that the goods are also given to customers who have purchased a home, and that the cost of the branded goods are passed on to these purchasers, as the purchasers are buying a new home as much as they are buying the home-building experience provided by the Applicant. The Applicant submits that a home buyer is not provided with an itemized cost breakdown of all that is included in their purchase, but normally only provided with an Agreement of Purchase and Sale; as a result, the Applicant submits, the revenues from home sales attested to by Mr. Breda can be partially attributed to the distribution of goods (1), (2), and (3) in the normal course of trade.

[42] The Opponent submits however, and I agree, that there is no evidence that purchasers would think that they are buying the promotional items as part of the purchase price of their new home. The Opponent further submits, and I agree once again, that there is no evidence the Applicant's consumers would expect to receive these goods when they purchase a home, and that consumers would be more likely to view these goods as a gesture of appreciation on the part of the Applicant, wherein such costs are borne by the Applicant.

[43] Indeed, the distribution of goods (1), (2), and (3) in this case appears as a mechanism to generate goodwill with respect to the sale of homes, and is used to promote the Applicant's own services, rather than as objects of trade, in and of themselves [see also *Brownlee LLP v 555,129 Ontario Limited*, 2013 TMOB 23, *Osler, Hoskin & Harcourt LLP v Ontario Teachers Insurance Plan*, 2016 TMOB 53 re: normal course of trade]. This view is consistent with the affidavit of Mr. Breda, as he attests that as "*part of its advertising and promotion*, Bremont also distributes promotional items bearing the BREMONT-based marks" (emphasis mine). Further to this, I would add, Mr. Breda consistently attests that the various goods under goods (1), (2), and (3) were distributed "during the promotion and sale of new homes," and refers to the gift baskets containing promotional items (i.e. – goods (3)) left inside a newly purchased home as a "welcome promotional *gift*" (emphasis mine). Most problematic however, as previously

indicated was pointed out by the Opponent (per answers to Q110 and 114 of the transcript of Mr. Breda's cross-examination), is Mr. Breda's admissions that such goods have never been sold.

[44] Thus, having regard to the aforementioned, I am of the view that the Opponent has met its light evidential burden to put into issue the claims set forth in the Applicant's applications with respect to goods (1), (2), and (3). I will note here briefly that the Opponent has also advanced submissions in the alternative, that if it is held that the Applicant has used the Marks in the normal course of trade with goods (1), (2), and (3), the Applicant has not submitted evidence to establish that the legal entities identified as involved in the Applicant's real estate development projects were licensed to use the Marks pursuant to section 50 of the Act. However, while I need not decide in view of the aforementioned, and notwithstanding any objections the Applicant has made concerning the admissibility of this evidence, I agree with the Applicant that any such allegations, had they been plead, would more aptly be in respect of the services. In any event, there is no evidence that casts doubt on or is inconsistent with Mr. Breda's statements on cross-examination (answers to Q135-147) regarding the existence of licenses for the Marks and control by the Applicant over the associated real estate development projects [see *Allianz Global Investors of America LP v Middlefield Capital Corporation*, 2012 TMOB 200].

[45] Since the Opponent has already met its light initial burden, the onus shifts to the Applicant to demonstrate on a balance of probabilities that it has complied with the requirements of section 30(b) of the Act. However, the Applicant has not filed any evidence beyond assertions of use and evidence of distribution as described above, which would positively establish its claimed dates of first use. Moreover, I have already rejected the Applicant's submissions that revenues from home sales can be partially attributed to the distribution of goods (1), (2), and (3) in the normal course of trade. Thus, I must conclude that the onus on the part of the Applicant has not been met.

[46] In view of the foregoing, the section 30(b) ground of opposition is successful in relation to goods (1), (2), and (3), with respect to each application.

Section 30(e)

[47] The Opponent has plead that the applications were not filed in compliance with section 30(e) of the Act, in that, as at the date of filing, the Applicant did not intend to use the Marks in Canada in association with each and every good specified in goods (4) of the applications, namely, “promotional items, namely, pens, golf shirts, construction helmets, caps, watches, folders for daily planners”. Further, the Opponent alleges that the applications were not filed in compliance with section 30(e) of the Act, in that the Applicant did and does not intend to use the trade-marks as trade-marks in Canada pursuant to sections 2 and 4(1) of the Act, namely, for the purpose of distinguishing or so as to distinguish its goods (4) and/or in the normal course of trade.

[48] In addition, as previously indicated, shortly before the hearing, the Opponent filed requests for leave to amend each statement of opposition to add the following alternative allegation under the ground of opposition based upon non-compliance with section 30(e) of the Act:

The applicant had used the mark in association with “watches” and “folders for daily planners” since 2007, prior to the filing date of the Opposed Trade-mark, and therefore, the application should have been based on use in association with “watches” and “folders for daily planners” and not on intention to use with “watches” and “folders for daily planners”.

[49] The practice of the Trade-marks Opposition Board is to grant leave to amend a statement of opposition where the Registrar is satisfied that it is in the interest of justice to do so having regard to all the surrounding circumstances, including (i) the stage the opposition proceeding has reached, (ii) whether the request for leave to amend could have been made at an earlier stage, (iii) the importance of the proposed amendment to the opponent, and (iv) the extent to which the applicant would be prejudiced if leave was granted: see *Nabisco Brands Ltd also trading as Christie Brown & Co v Perfection Foods* (1986), 12 CPR (3d) 456 at 458 (FCTD). Moreover, in *Dairy Processors Association of Canada v Les Producteurs Laitiers du Canada/Dairy Farmers of Canada*, 2014 FC 1054, the Federal Court indicates that the prejudice to the requesting party as a result of its request being denied should also be taken into consideration when considering what is in the interests of justice.

[50] With regard to these surrounding circumstances, the Opponent explained in its request that in light of the information disclosed by the Applicant in the Breda affidavit, and again questioned and replied to at the cross-examination of Mr. Breda, the Opponent believes that “clarification” of this ground of opposition is justified and is in the interests of all parties and the Registrar. The Opponent further submitted that it was not feasible to file an “amendment/clarification” to the statements of opposition until such time the Opponent was certain that the Applicant had no corrections or retractions to make to Mr. Breda’s affidavit testimony during his cross-examination. Lastly, the Opponent submitted that the “amendment/clarification” does not raise any new ground of opposition, but merely identifies more fully the ground previously relied on by the Opponent, and therefore the Applicant is in no way prejudiced by the “amendment/clarification”.

[51] At the oral hearing, the Applicant objected to the Opponent’s requests for leave to amend its statements of opposition. In this regard, the Applicant noted the late stage of the proceedings, as the requests for leave to amend the statements of opposition were made only three days prior to the oral hearing. The Applicant further questioned why the amendment was not made earlier, as the transcript of Mr. Breda’s cross-examination has been available since 2014. With respect to the importance of the amendment, the Applicant submitted that the Opponent would not have made the amendment if they did not believe it was important. However, the Applicant submitted that based on the timing of the amendment and the prejudice of the potential loss of four applications would be significant and costly to the Applicant.

[52] However, in light of my conclusions below regarding the allegations in the initial statements of opposition, I need not consider the amendment. Although I would comment that having considered both parties’ submissions, I would be inclined to agree with the Applicant that it is not in the interests of justice to grant the Opponent leave at this late stage of the proceedings to amend its statement of opposition.

[53] Section 30(e) of the Act requires an applicant to make a statement that it, either by itself or through a licensee intends to use the applied-for trade-mark in Canada. In the present case, the applications contain such a statement. The applications therefore formally comply with section 30(e) of the Act. The question then becomes whether the Applicant has substantively complied

with section 30(e) of the Act; that is, did the Applicant have a *bona fide* intention to use each of the applied-for trade-marks in Canada at the time of filing of the applications?

[54] Since it is difficult to prove a negative, and certainly more so in a case of a proposed use application, the initial burden upon an opponent with respect to a ground of opposition based upon non-compliance with section 30(e) is a relatively light one [see *Molson Canada v. Anheuser-Busch Inc.*, (2003) 2003 FC 1287, 29 CPR (4th) 315]. Furthermore, the fact that the material date is the filing date of the application does not preclude the consideration of evidence arising subsequent to that date insofar as it may indicate a situation existing as of the material date [see *Bacardi & Co v Jack Spratt Manufacturing* (1984), 1 CPR (3d) 122 at 125-126 (TMOB)].

[55] In the present case, relying on the Applicant's evidence, the Opponent submits that any statement regarding intention to distribute goods (4) is consistent with the Applicant's past distribution of promotional goods; in other words, the distribution is in relation to promoting the Applicant's services and is not part of a transfer in the normal course of trade as required to constitute use under section 4(1) of the Act. The Opponent submits that the transcript of the cross-examination of Mr. Breda further supports that the Applicant's claim of proposed use is invalid. In this regard, the Opponent refers to Q113 of the transcript wherein Mr. Breda was queried about his intention to sell the goods at retail, and his response was "We haven't crossed that avenue yet." Further to this, the Opponent submits that Mr. Breda's testimony is that the Applicant had never reached a decision on whether to commence retail sales of its watches. Referring to Mr. Breda's responses to Q234-236 of the transcript, the Opponent notes that Mr. Breda was unable to give a yes or no answer on whether the Applicant was going to sell watches in jewellery stores.

[56] In this case, I find that the Opponent has met its light burden of raising doubt as to whether the application complies with section 30(e). Indeed, I note that Mr. Breda attests at paragraph 26 of his affidavit, that "consistent with the past distribution of the wares as described above, and as at the time of filing the applications, Bremont intended to distributed the wares [...], namely, promotional items, namely, pens, golf shirts, construction helmets, caps, watches, folders for daily planners" (emphasis mine). Given my findings above under the ground of

opposition based upon section 30(b) of the Act, such past distribution of the Applicant's goods was not considered "use" in the normal course of trade pursuant to section 4(1) of the Act [see also: *CoreLogic, Inc v MLXjet Media Corp*, 2012 TMOB 67, re: successful 30(e) ground regarding goods, being promotional goods only and therefore not used as a trade-mark for the purposes of distinguishing].

[57] Accordingly, the section 30(e) grounds of opposition succeed with respect to goods (4) for each application.

Section 30(i)

[58] The Opponent has plead that the applications were not filed in compliance with section 30(i) of the Act, in that, as at the date of filing of the applications, the Applicant could not have been satisfied that it was entitled to use the Marks in Canada in association with goods (4), and more precisely, the goods listed as promotional items, namely watches and folders for daily planners.

[59] Specifically, the Opponent has plead that given the extensive and continuous use by the Opponent of its BREMONT trade-mark and BREMONT trade-name in Canada in association with watches and personal accessories, such as, but not limited to, watch bands and straps, watch bracelets, business card holders, watch wallets, watch rolls, document folders, and watch clasps (the Opponent's Goods), and given that goods (4) of the Marks, specifically the watches and folders for daily planners are identical to the Opponent's Goods, the Applicant was, at all relevant times and at the time of filing of the Marks, aware of the Opponent's BREMONT trade-mark, BREMONT trade-name and the associated Opponent's Goods. The Opponent alleges that the Applicant has adopted a covert and masked marketing practice in order to capitalize on the Opponent's established goodwill and reputation in Canada, the U.K., and around the world. The Opponent alleges that any promotion, sale or distribution of watches or folders for daily planners offered by the Applicant does and will mislead the consumer into believing that the Applicant is promoting, selling or distributing the Opponent's Goods, is somehow affiliated with the Opponent, or that the Applicant's services are approved and/or endorsed by the Opponent. The Opponent alleges such covert and marketing practices are activities of bad faith in that consumers are being and/or will be misled or deceived into believing they are receiving quality

and recognized brand products of the Opponent as a result of the marks being identical and the common component, BREMONT, comprising both of the parties' trade-names.

[60] With respect to section 30(i) of the Act, if an applicant makes a statement that it is satisfied that it is entitled to use the trade-mark in Canada, as in the present case, the application formally complies with this section of the Act. Where an applicant has provided the statement required by section 30(i) of the Act, a section 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. There is no evidence that this is an exceptional case. In this regard, not only is there no evidence that the Applicant was aware of the Opponent's BREMONT trade-mark and trade-name and associated goods as alleged, mere knowledge of the existence of an opponent's mark or trade-name does not in and of itself support an allegation that the Applicant could not have been satisfied of its entitlement to use the Marks at the time it filed its application [see *Woot, Inc v WootRestaurants Inc Les Restaurants Woot Inc*, 2012 TMOB 197]. Furthermore, it follows that if there is no evidence that the Applicant was aware of the Opponent's trade-mark and trade-name, there is also no evidence that the Applicant has "adopted a covert and masked marketing practice in order to capitalize on the Opponent's established goodwill and reputation in Canada, [...]."

[61] Accordingly, having regard to the aforementioned, the section 30(i) grounds of opposition are dismissed with respect to each application.

Non-entitlement Grounds of Opposition – sections 16(3)(a) and (c)

[62] Pursuant to sections 16(3)(a) and (c) of the Act, the Opponent alleges that the Applicant is not the person entitled to registration of the Marks in association with goods (4), specifically the watches and folders for daily planners listed therein, because it is and/or is likely to be confusing with the Opponent's BREMONT trade-mark and BREMONT trade-name which has been continuously used and made known in Canada by the Opponent in association with the Opponent's Goods, prior to the filing date of the Applicant's applications.

[63] In order to meet its initial burden, the Opponent must show that the trade-mark BREMONT and trade-name BREMONT respectively alleged in support of its grounds of

opposition based on sections 16(3)(a) and (c) of the Act, were used (or made known with respect to the trade-mark, per section 16(3)(a)) in Canada prior to the date of filing of the applications for the Marks (namely, December 19, 2011) and had not been abandoned at the dates of advertisement of the applications for the Marks (that is, May 22, 2013, with the exception of Application No. 1,557,064, which date is June 19, 2013) [section 16(5) of the Act].

[64] As previously indicated in the evidence summary, the Opponent's affiant attests that the Opponent has been continuously selling its BREMONT watches in Canada through its authorized dealer, L'Oro Jewellery, since at least as early as January 2010. While Mr. English does not provide documentary evidence respecting sales as early as January 2010, he does provide a representative invoice issued to L'Oro Jewellery dated November 15, 2011 in the amount of \$26,785 which he attests relates to the sale of BREMONT watches, as well as representative images of the BREMONT watches related to said invoice. The word BREMONT is clearly displayed on the watch faces. Additionally, I note that the trade-name BREMONT clearly appears on the invoice for the watches as well. Consequently, I accept that the Opponent has met its burden to establish that it had used its trade-mark and trade-name in Canada prior to the date of filing of the subject applications, and that the Opponent's BREMONT trade-mark and trade-name were not abandoned at the dates of advertisement of the applications for the Marks.

[65] As the Opponent has satisfied its initial burden, the Applicant must therefore establish, on a balance of probabilities, that as of the filing date of the Applicant's applications, namely, December 19, 2011, there was not a reasonable likelihood of confusion between its Marks and the Opponent's BREMONT trade-mark and trade-name.

[66] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that 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 goods or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class. Section 6(3) of the Act similarly indicates that the use of a trade-mark causes confusion with a trade-name if the use of both the trade-mark and the trade-name in the same area would be likely to lead to the inference that the goods or services associated with the trade-mark and those

associated with the business carried on under the trade-name are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

[67] In applying the test for confusion, the Registrar must have regard to all surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: 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 each has been in use; c) the nature of the goods, 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.

[68] These criteria are not exhaustive and different weight will be given to each one in a context specific assessment [see *Mattel, Inc v 3894207 Canada Inc*, [2006] 1 SCR 772 (SCC) at para 54]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc*, (2011), 92 CPR (4th) 361 (SCC) at para 49, where the Supreme Court of Canada states that section 6(5)(e), the resemblance between the marks, will often have the greatest effect on the confusion analysis. As such, I will begin with the analysis of this factor.

Section 6(5)(e) – degree of resemblance in appearance, when sounded, or in idea suggested

[69] When considering the degree of resemblance, the law is clear that the trade-marks must be considered in their totality; it is not correct to lay them side by side and compare and observe similarities or differences among the elements or components of the trade-marks. Furthermore, while the first portion of the mark is usually the most important for the purpose of distinguishing (see *Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d), 183 (FCTD) at 188), the Supreme Court of Canada in *Masterpiece* has advised that the preferable approach when comparing marks is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique. For the reasons that follow, I agree with the Opponent that there is a significant degree of resemblance between the Applicant's Marks and the Opponent's BREMONT trade-mark and trade-name in appearance, sound and in the ideas suggested.

[70] The most striking portion of each of the Applicant's Marks, as well as the Opponent's trade-mark and trade-name, is the word BREMONT. As submitted by the Opponent, the BREMONT application (1,557,052) is virtually identical to the Opponent's BREMONT trade-mark and trade-name. Indeed, even in the Applicant's remaining Marks, the word BREMONT is prominently featured in capital letters, such that the size of the word BREMONT relative to the other additional elements is overwhelmingly dominant.

[71] Accordingly, the section 6(5)(e) factor strongly favours the Opponent.

Section 6)(5)(a) – inherent distinctiveness and the extent to which the marks and trade-name have become known

[72] The overall consideration of the section 6(5)(a) factor, involves a combination of inherent and acquired distinctiveness of the parties' marks and trade-name.

[73] The Applicant submits that its Marks are inherently distinctive, as the word BREMONT is an invented word and, otherwise, is neither descriptive nor suggestive. Similarly, the Opponent submits that its BREMONT trade-mark and trade-name appears to be an invented word, and accordingly is inherently distinctive.

[74] Nonetheless, as previously indicated, the strength of a trade-mark or a trade-name may be increased by means of it becoming known in Canada through promotion or use.

[75] The applications for the Marks are based upon proposed use in association with goods (4), which includes "watches and folders for daily planners" specifically and solely objected to by the Opponent in its pleadings under these grounds, and the Applicant has not filed any evidence of use of the Marks with these goods. The Opponent, on the other hand, as previously indicated, has evidenced use of both its BREMONT trade-mark and trade-name, including evidence of sales of BREMONT watches to L'Oro Jewellery dated November 15, 2011.

[76] The Opponent submits that in addition to such sales, Mr. English has attested that the Opponent has expended since 2010, in excess of GBP16,000 (British Pounds) on the advertising and promotion of its BREMONT watches in North America, and that the Opponent's website (Exhibit C to the English affidavit) which advertises BREMONT watches was viewed by

Canadians between December 2008 and 2011. However, as previously indicated, while no Canadian circulation figures have been provided for the publications identified by Mr. English as advertising mediums for the Opponent's goods, Mr. English did attest that there were 15,360 visits to the Opponent's website originating from Canada between December 2008 and 2011.

[77] While not overwhelming, I accept that the evidence of sales of BREMONT watches as well as the evidence of Canadian visitors to the Opponent's website as evidence that the Opponent's trade-mark and trade-name acquired some degree of distinctiveness in association with watches in Canada prior to the filing of the Applicant's applications for the Marks.

[78] Accordingly, the section 6(5)(a) factor favours the Opponent.

Section 6(5)(b) – the length of time of use

[79] Once again, the applications for the Marks are based upon proposed use in association with goods (4), which includes “watches and folders for daily planners” specifically and solely objected to by the Opponent in its pleadings under these grounds, and the Applicant has not filed any evidence of use of the Marks with these goods. The Opponent, on the other hand, as previously indicated, has evidenced use of both its BREMONT trade-mark and trade-name, including evidence of sales of BREMONT watches to L'Oro Jewellery dated November 15, 2011.

[80] Accordingly, the section 6(5)(b) factor favours the Opponent.

Sections 6(5)(c) and (d) – the nature of the goods and business or trade

[81] The Opponent submits that it produces luxury chronometers and timepieces, including watches, which are sold in Canada through distributors and retailers, as well as online. The Applicant's goods that are subject to these particular grounds of opposition are “watches and folders for daily planners”. The goods of the parties are therefore identical and/or overlapping.

[82] Furthermore, in the absence of any specified restrictions in the Applicant's applications for the Marks, given the overlap in the nature of the goods of the parties, there is potential that the goods of the parties could travel through the same channels of trade.

[83] Consequently, I conclude that these factors favour the Opponent.

Conclusion in the likelihood of confusion

[84] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. Furthermore, having regard to all the surrounding circumstances set out above, including the overlap in the nature of the parties' goods, as well as the similarity of the parties' marks in appearance, sound, and ideas suggested, I am not satisfied that the Applicant has discharged its burden to prove, on a balance of probabilities, that there is no likelihood of confusion between the Marks and the Opponent's BREMONT trade-mark and trade-name. As mentioned earlier, the degree of resemblance between the parties' marks is the statutory factor that is often likely to have the greatest effect in deciding the issue of confusion. This is particularly the case where the parties' goods and the parties' channels of trade, are the same or overlapping [see *Reynolds Consumer Products Inc v PRS Mediterranean Ltd.* (2013), 111 CPR (4th) 155 (FCA) at paras 26 -30].

[85] Accordingly, the sections 16(3)(a) and (c) grounds of opposition are successful with respect to goods(4) for each application.

Non-distinctiveness Ground of Opposition

[86] The Opponent has plead that contrary to section 2 of the Act, the Marks are not distinctive of the Applicant in that they cannot distinguish nor can they be adapted to distinguish the Applicant's goods, specifically the watches and folders for daily planners, in which they are used or proposed to be used from the goods and/or business of the Opponent. This ground is alleged in view of the Opponent's prior and extensive use of its BREMONT trade-mark and BREMONT trade-name in Canada in association with the Opponent's Goods.

[87] As I have already found in favour of the Opponent with respect to these particular goods of the Applicant under multiple grounds, I need not address this remaining ground of opposition.

Disposition

[88] Having regard to the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the applications with respect to the goods, and reject the oppositions with respect to the services, insofar as the services could also be construed as being plead under the section 30(i) grounds of opposition, pursuant to section 38(8) of the Act [see *Coronet-Werke Heinrich Schlerf GmbH v Produits Ménagers Coronet Inc* (1986), 10 CPR (3d) 482 (FCTD) as authority for a split decision].

Kathryn Barnett
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

Hearing Date: 2016-02-25

Appearances

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