



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

Citation: 2016 TMOB 126
Date of Decision: 2016-07-18

IN THE MATTER OF AN OPPOSITION

Ezra Levant

Opponent

and

JC-TL Controls Inc.

Applicant

1,538,584 for ETHICAL OIL

Application

[1] On August 8, 2011, JC-TL Controls Inc. (the Applicant) filed application No. 1,538,584 to register the trade-mark ETHICAL OIL (the Mark) based upon proposed use of the Mark in Canada in association with the following goods and services, as revised by the Applicant:

Goods:

Oil and gas products namely crude oil, natural gas and natural gas liquids.

Services:

Maintenance, repair and service of oil and gas equipment namely casing scrapers, chokes, various valves, pumps, gaskets and flanges; Oil and gas production services; Developing promotional campaigns for others in the field of oil and gas; Advertising the wares and services of others in the field of oil and gas.

(sometimes hereinafter collectively referred to as the Goods and Services)

[2] The application was advertised for opposition in the *Trade-marks Journal* of January 9, 2013. Ezra Levant (the Opponent) opposed the application under section 38 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) by filing a statement of opposition on February 20, 2013. The grounds of opposition, as subsequently amended by the Opponent (see the amended statement of

opposition filed on May 1st, 2014, accepted by the Registrar on June 4, 2014) are based upon sections 2 (non-distinctiveness); 12 (non-registability); 16 (non-entitlement); and 30 (non-conformity) of the Act.

[3] In support of his opposition, the Opponent filed an affidavit of his own, sworn December 20, 2013 (the Levant affidavit), as well as the affidavit of Samantha Kernahan, former trade-mark agent and counsel for the Opponent, sworn December 23, 2013 (the Kernahan affidavit). By agreement between the parties, Ms. Kernahan and Mr. Levant were both cross-examined in writing on their affidavits. The written questions and the affiants' written answers form part of the record. The Applicant elected not to file evidence.

[4] Both of the parties filed written arguments, but no hearing was requested.

[5] For the reasons that follow, the opposition is successful.

Analysis

The parties' respective burden or onus

[6] 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 reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); and *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 2002 FCA 29, 20 CPR (4th) 155 (FCA)].

Overview of the evidence

The Levant affidavit and cross-examination

[7] Mr. Levant is the author of the book *Ethical Oil: The Case for Canada's Oils Sands (Ethical Oil)*. He is also an original incorporator and one of the current directors of the Ethical Oil Institute/Institut Du Petrole Ethique (Ethical Oil Institute), as well as a political activist for

the ideas and policy perspectives expressed in his book. In addition, he is a journalist and a television talk host.

[8] Mr. Levant testifies that *Ethical Oil* was published on September 14, 2010. It has been available for sale in Canada since then, and has achieved considerable sales and publicity [see Exhibit “A” attached to his affidavit – copies of the book jacket, title page and copyright information page].

[9] Mr. Levant testifies that in 2011, *Ethical Oil* was awarded the *Globe & Mail’s National Business Book Award* [see Exhibit “B” attached to his affidavit – copy of the webpage found at <http://www.nbbaward.com/winner-2011.asp> announcing *Ethical Oil* as the said winner].

[10] In brief, *Ethical Oil* makes the argument that Canada’s oil sands are among the most ethically produced commodities in the world. In the book, Opponent highlights how Canada’s overall “ethical” profile far exceeds that of other oil-producing nations based on political democracy, government regulations, respect for human rights and freedom of the press, and asserts that petroleum-based products produced in Canada (and other liberal democracies) should be the choice of consumers in the marketplace as well as supported by government policy.

[11] Mr. Levant testifies that the Ethical Oil Institute is a non-profit organisation, whose objects are to promote the ideas and policy perspectives expressed in *Ethical Oil* by advocacy and public media campaigns [see Exhibits “D” and “E” attached to his affidavit – copies of the Certificate of Incorporation and Memorandum of Association]. He testifies that *Ethical Oil* inspired Alykhan Velshi to start an original internet blog to discuss the ideas and policy expressed in *Ethical Oil* [see Exhibit “C” attached to his affidavit – screen shot from the active website *EthicalOil.org*. stating “How it started” – a historical perspective on *Ethical Oil* and its contents as inspirational subject matter].

[12] Mr. Levant registered the domain name *EthicalOil.org* on August 2, 2009 [see Exhibit “F” attached to his affidavit – copy of the *Whois.net* domain name search result page], which became active in July, 2011 [see Exhibits “G” to “L” – copies of various screen shots printed from this website].

[13] Mr. Levant testifies that *Ethical Oil* achieved substantial publicity. In addition to his considerable presence on the Internet and social media (4,748 followers on Twitter, 2,041 likes on Facebook, a YouTube channel counting 97 subscribers and 17 videos online with over 120,000 views), Mr. Levant attended a total of 53 speaking events from 2011 to 2013 in order to promote his books and the ideas and policy perspectives expressed therein. Mr. Levant testifies that he discussed these with a great number of people, including Canada's former foreign minister, the Honourable Mr. John Baird. Furthermore, representatives of *EthicalOil.org* have publicized *Ethical Oil* through various news appearances, award ceremonies, radio advertisements, street protests and fundraising campaigns [see Exhibits "G" to "U" attached to his affidavit discussed in further detail below under the non-registrability ground of opposition].

The Kernahan affidavit and cross-examination

[14] Ms. Kernahan testifies that on December 23, 2013, she made a scanning search of the Canadian Trade-marks database using the search terms "ethical" and "oil" and that the only search results that were derived from this search were the present application filed by the Applicant, and application No. 1,577,098 filed on May 7, 2012 by the Opponent in association with, among others, lobbying services and a website featuring information on political and cultural conditions of oil producing nations and information on domestic and international responses to such conditions [see Exhibits "A" to "C" attached to her affidavit – copies of the Canadian Trade-marks Database results page, and of the Applicant's and Opponent's respective applications]. The statement of services covered by application No. 1,577,098 is reproduced in Schedule "A" to my decision.

The non-registrability ground of opposition

[15] The Opponent has pleaded that:

Pursuant to Section 38(2)(b) of the Act, the [Mark] is not registrable. The alleged [Mark] in association with the wares and services described as [the Goods and Services] whether depicted, written or sounded, is either clearly descriptive or deceptively misdescriptive in English of the character or quality of such wares and services or it describe [sic] the conditions of the persons employed in their production. In fact, the wares and services of the [A]pplicant are either offered in an ethical manner or not or are by themselves ethical or not. There is no middle ground here in relation with this ground of opposition. Only by

analysing the trademark [sic] application itself, if the services are ethical in nature, character or quality, the [M]ark is clearly descriptive. On the other hand, if the nature, quality or character of said wares and services are not ethical, then the [Mark] is deceptively misdescriptive. The Applicant should not be allowed to monopolize this ordinary expression. Any other person or entity commercializing wares and services similar to those described in the application should be entitled to advertise their wares and services has being ETHICAL OIL products or services. Evidently, no party, including the [A]pplicant, should be allowed to monopolize the same expression in the event that the wares and services are not ethical in nature, character or quality.

[16] The material date to assess a section 12(1)(b) ground of opposition is the filing date of the application, in this case August 8, 2011 [see *Fiesta Barbecues Ltd v General Housewares Corp* (2003), 28 CPR (4th) 60 (FCTD)].

[17] The test to be applied when assessing whether a mark is clearly descriptive or deceptively misdescriptive must be considered from the point of view of the average purchaser of the associated goods or services. Furthermore, the mark must not be dissected into its component elements and carefully analyzed but must be considered in its entirety as a matter of immediate impression [see *Wool Bureau of Canada Ltd v Registrar of Trade Marks* (1978), 40 CPR (2d) 25 (FCTD); and *Atlantic Promotions Inc v Registrar of Trade Marks* (1984), 2 CPR (3d) 183 (FCTD)]. Character means a feature, trait or characteristic of the product and “clearly” means “easy to understand, self evident or plain” [see *Drackett C. of Canada Lt. v American Home Products Corp* (1968), 55 CPR 29 (Ex Ct)].

[18] For a trade-mark to be considered clearly descriptive, the mark must not be merely suggestive. The purpose of the prohibition with respect to clearly descriptive trade-marks is to prevent any single trader from monopolizing a term that is clearly descriptive or common to the trade, thereby placing legitimate traders at a disadvantage [see *Canadian Parking Equipment Ltd v Canada (Registrar of Trade-marks)* (1990), 34 CPR (3d) 154 (FCTD)]. For a trade-mark to be considered deceptively misdescriptive, the mark must mislead the public as to the character or quality of the goods and services. The mark must be found to be descriptive so as to suggest the goods or services are or contain something that is not the case. The purpose of the prohibition with respect to deceptively misdescriptive trade-marks is to prevent the public being misled [see *Atlantic Promotions, supra*; and *Provenzano v Canada (Registrar of Trade-marks)* (1977), 37 CPR (2d) 189 (FCTD)].

[19] Also, as stated by Justice Martineau in *Neptune SA v Canada (Attorney General)* (2003), 29 CPR (4th) 497 (FCTD) at paragraph 11:

To determine whether a trade-mark falls under [the section 12(1)(b)] exclusion, the Registrar must not only consider the evidence at his disposal, but also apply his common sense in the assessment of the facts.

[See also *Ontario Teachers' Pension Plan Board v Canada (Attorney General)* (2010), 89 CPR (4th) 301 (FC) at para 48; *aff'd* (2012), 99 CPR (4th) 213 (FCA).]

[20] Before assessing the ground of opposition in light of these principles, I wish to address the argument made by the Applicant in paragraph 4 of its amended counter-statement filed in response to the Opponent's amended statement of opposition.

[21] The Applicant submits that:

[T]he Opponent is estopped from pleading that the [Mark] is unregistrable as being, whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in English of the character or quality of the [Goods and Services] or that it describes the conditions or the persons employed in their production. The Opponent has filed application No. 1,577,098 to register the identical trade-mark. The Opponent has stated in his application No. 1,577,098 that he is entitled to use the trade-mark in Canada, and by extension, that his trade-mark is registrable. By filing application No. 1,577,098, the Opponent is attempting himself to claim rights to that which he alleges in his Statement of Opposition is inherently not registrable. The Opponent raises this ground of opposition against the Applicant with unclean hands. The Opponent is precluded from raising this registrability ground of opposition against others when he himself is relying on the trade-mark not being descriptive/misdescriptive to obtain those rights for himself.

[22] However, as stressed by the Opponent in his written argument, the services covered by the Opponent's application differ from the Goods and Services covered by the Applicant's application. As indicated above, the test to be applied when assessing whether a mark is clearly descriptive or deceptively misdescriptive must be considered from the point of view of the average purchaser of the *associated goods or services*. Thus, I agree with the Opponent that he is not estopped from adopting the position that he has taken in the present proceeding. Moreover, as stressed above, this issue involves a determination of whether the registration of the Mark is to place legitimate traders at a disadvantage, or else, to mislead the public. It is a question of fact and law to be determined by the Registrar that goes beyond the mere filing by the Opponent of an application for registration of the same Mark.

[23] I now return to the assessment of the present ground of opposition.

[24] I first observe that the Mark is laudatory. It is made up of the phrase “ETHICAL OIL”, which conveys that the Applicant’s applied-for oil and gas products and related services are morally correct or honourable.

[25] Indeed, the word “ETHICAL” has a laudatory connotation and is primarily a descriptive term, as per the following definition from the *Paperback Oxford Canadian Dictionary, Second Edition*: “adj. 1. relating to morals, esp. as concerning human conduct. 2. Morally correct; honourable.”

[26] While I acknowledge that the inclusion of laudatory words in a trade-mark does not necessarily lead to a conclusion that the trade-mark is clearly descriptive in that the entire mark must be considered in light of the first impression of the user or ultimate consumers of the goods or services, the fact is that in the present case, the word “OIL” is clearly descriptive of the nature or character of the Applicant’s Goods and Services. In other words, it does nothing to thwart the descriptive character of the Mark when considered as a whole.

[27] I find that a parallel can be made between the present case and the decision in *Heart and Stroke Foundation of Canada/Fondation des maladies du coeur du Canada v Green Circle Foods, Inc* 2012 TMOB 163 (CanLII), where the Registrar found the trade-mark HEALTHY OPTIONS to be clearly descriptive of the applicant’s food products. As a matter of common sense and of first impression, the Registrar was of the view that a member of the public viewing the words “healthy options” in association with “(1) processed meats and poultry; (2) deli meats and poultry”, would probably have regarded these words as describing that the applicant’s meat and poultry products were a healthier alternative to the meat and poultry products of others.

[28] I am of the view that as a matter of common sense and first impression, the average consumer viewing the phrase “ETHICAL OIL” in association with the Applicant’s Goods and Services, would probably regard this phrase as describing that the Applicant’s applied-for oil and gas products and related services are ethical in nature, character or quality. I find that an analogy can be made between the concept of “ETHICAL OIL” and the ones behind the commonly used and understood terms “FAIR-TRADE COFFEE” and “CONFLICT DIAMONDS” (*a contrario*).

[29] In this regard, I note that the Levant affidavit establishes that the same analogy was in fact made by the Opponent and/or third parties who have used the phrase “ETHICAL OIL” or a similar expression descriptively to characterize oil extracted from Canada’s oil sands, prior to the filing date of the Applicant’s application.

[30] Indeed, the record of selected press clippings attached as Exhibit “S” to the Levant affidavit includes, among others, the following articles that emanate internationally as well as from Canada:

- *The oil-diamond analogy*

[...] Former federal Conservative political staffer Alykhan Velshi is driving the campaign, which characterizes oil flowing from Venezuela, Saudi Arabia and Iran as “conflict oil” – a riff on conflict diamonds – that is used to prop up dictatorship, funds terrorism and results in persecution. In contrast, Canada’s “ethical oil” fuels democracy, funds peacekeeping, and in an economic underpinning of a society that embraces tolerance, such as gay pride. As Mr. Veshi explains, “When people buy coffee, they want to buy fair-trade coffee. This is a similar sort of idea. [...]”
– *The Globe and Mail*, Mon Aug 1 2011.

- *Ex-Tory message maven stays political: Alykhan Velshi takes his publicity acumen to the Internet with a blog burnishing the image of Canada’s oil sands*

[...] These days, [Mr. Velshi] is very busy on his iPad, working to create provocative, even outrageous, Internet ads.

Is there an alternative? You bet. The ads argue that Canada’s oil generates taxable revenues that are used to help fund “democracy”, “peacekeeping” and even Pride day parades for gays and lesbians.

[...]

Ethical oil is not a new concept. The pundit Ezra Levant first popularized it a couple of years ago in a hardcover book. When Mr. Levant moved on to the Sun TV this spring, he handed over the reins to his friend, Mr. Velshi. [...]

– *The Globe and Mail*, Thu July 28 2011.

- *‘Conflict Oil’ Poses Crucial Threat to U.S. Security*

Commentary | Can oil be divided into “conflict oil” and “ethical oil” much in the same way other resources are, such as diamonds. An ad being run by Alykhan Velshi in some Canadian newspapers suggest the case can be made.

“Conflict diamonds” are diamonds that are mined in unsettled areas of the world, generally Africa, the sales of which are used to finance that continent’s continuing civil

wars, rebellions, and tyrannies. The purchase of “conflict diamonds” is seriously discouraged by many world governments, including that of the United States.

“Conflict oil” can be defined as oil drilled in countries such as Iran, Saudi Arabia, and Venezuela that is used, like conflict diamonds, to finance war, terrorism and tyranny. “Ethical Oil” is drilled in Western countries, such as Canada and the United States, the profits of which are for used for more benign purposes.

The idea of dividing oil into “ethical” and “conflict” approaches energy policy from a new perspective. [...]

– <http://mobile.associatedcontent.com/article>. Published Wed August 3rd, 2011. Mark Wittington.

- *Canadian campaign puts the spin on ‘ethical oil’ – Tar sands website promotes a binary world where Canadian oil is ‘ethical’ and the rest is produced by ‘oppressors’*

[...] The term “ethical oil” was first coined two years ago in a book by a conservative activist and pundit called Ezra Levant. But Velshi has picked up the term and, well, not just run with it, but sprinted off towards the horizon at a pace that would shame Usain Bolt. [...]

- <http://m.guardian.co.uk>, Thu 28 Jul 2011, Blogpost Leo Hickman.

- *Ethical Oil takes Centre Stage*

A number of newspapers are reporting on the new advertisement being created by EthicalOil.org, formerly run by Ezra Levant and by former Tory staffer Alykhan Velshi.

The ads contrast the difference between ethical oil producing nations such as Canada and Norway and oil conflict nations like those in the middle east.

[...]

Since that article appeared, the Federal Government has taken up the language of ethical oil. Environment Minister Peter Kent has described Canada’s oil sands as “ethical” in comparison to other sources of oil. And so a big question is whether Canadians and Americans been moved by the argument now that it has been in the public sphere for a while. Abacus will probably go back to Canadians and test the same argument to see if anything has changed. Stay tuned.

- <http://abacusdata.ca>, July 29, 2011

[31] Also, the printed screenshots of the search results page found at the website www.ezrlevant.com attached as Exhibit “O” to the Levant affidavit include, among others, the following:

- *Associated Press introduces “ethical oil” phrase to America* – by Ezra Levant on February 5, 2011

Associated Press is the largest U.S. newswire – a news service that provides content to 1,700 newspapers and 5,000 TV and radio stations.

Here’s their report on the meeting between Stephen Harper and Barak Obama:

WASHINGTON -- Canadian Prime Minister Stephen Harper on Friday urged U.S. officials to approve a proposed oil pipeline from Canada to the U.S. Gulf Coast, calling Canada a “secure, stable and friendly” neighbor that poses no threat to U.S. Security.

By contrast, many other countries that supply oil are not stable, secure or friendly to U.S. interests, Harper said at a White House news conference following a meeting with President Barak Obama.

Harper did not name any other country, but pipeline supporters have singled out countries such as Venezuela, Nigeria, Saudi Arabia and Iran as places where the United States faces security threats and instability. Canada’s environment minister has used the term “ethical oil” to describe his country’s crude supplies, saying Canada respects human rights, workers’ rights and environmental responsibility.

- *Prime Minister promotes ethical oil*– by Ezra Levant on January 7, 2011

Here’s a Reuters story about Prime Minister Stephen Harper following up on Peter Kent’s adoption of the term “ethical oil” to describe the oilsands. I’m pleased that the Reuters report – which has huge distribution – mentions my book!

Some excerpts:

Jan 7 (Reuters) – Canadian Prime Minister Stephen Harper said on Friday the [...].

In a television news conference, Harper also called Canada an “ethical” supplier of oil to the United States, defending the Alberta oil sands projects that environmentalists criticize as a huge source of greenhouse gases and toxic waste. [...] Harper was asked to react to comments by newly appointed Environment Peter Kent, who characterized development of the oil sands as “ethical” in recent media interviews. [...]

“It is critical to develop that resources in a way that’s responsible and environmental and the reality for the United States, which is the largest buyer of our oil ... is that Canada is a very ethical society and very secure source of energy for the U.S. compared to other energy sources”, he said.

Harper and at least some of his top ministers have embraced an argument put forward by right-wing commentator Ezra Levant, whose recent book “Ethical Oil” contends that production from the oil sands is morally superior to crude produced in countries such as Saudi Arabia and Nigeria...

- *Senators Nicole Eaton and Linda Frum discuss oilsands in an ethical framework* – by Ezra Levant on November 9, 2010

I’ve been so busy travelling that I neglected to report that Canada’s senate has begun an inquiry into the “benefits of Canada’s oilsands”. The inquiry was commenced by Ontario senator Nicole Eaton, and her fellow Ontarian Linda Frum has spoken to it as well. To my delight, the debate so far has been conducted with the framework of a broad ethical discussion, as outlined in my book *Ethical Oil*, which was cited by name on the floor of the Senate.

[...] Here are some extended excerpts from Sens. Eaton and Frum, and Sen. Rompkey’s friendly questions.

Senator Nicole Eaton:

Honourable senators, I rise with great enthusiasm to commence a Senate inquiry into Canada’s oil sands, the world’s most ethical source of oil.[...]

Senator Linda Frum:

[...] On behalf of senators of all parties and of all oil provinces, I am happy to join with Senator Eaton to say Canada’s oil is nothing to be ashamed about. In fact, Canadian oil – oil sands – is the most ethical oil in the world.

- *First press coverage of Ethical Oil* – by Ezra Levant on September 13, 2010

[...] And here’s the Globe and Mail first take on things:

...according to Ezra Levant, Canada’s oil sands are the most ethical hydrocarbon alternative on Earth. It’s a view the author, former magazine publisher and Sun Media columnist presents in a new book whose title, *Ethical Oil*, doubles as his recommendation for a new energy-industry slogan. On four fundamental criteria – the environment, peace and conflict, economic justice and treatment of minorities, the industry operating in Canada is heads above other crude producers like Saudi Arabia, Libya, Nigeria and Venezuela, Mr. Levant argues.

[32] In view of the foregoing, I find that the Applicant has not discharged its legal onus to establish on a balance of probabilities that the Mark was not clearly descriptive, as of the filing date of the application, of the character or quality of the Goods and Services. Alternatively, I agree with the Opponent that if the Applicant’s Goods and Services are not ethical in character or

quality, then the Mark would be deceptively misdescriptive, as it would be suggesting something that is not true.

[33] Accordingly, the non-registrability ground of opposition succeeds.

Remaining grounds of opposition

[34] As I have already found in favour of the Opponent under the non-registrability ground of opposition, I find it is not necessary to consider the remaining grounds of opposition.

Disposition

[35] In view of the foregoing and pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

Annie Robitaille
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Schedule “A”

Statement of services covered by application No. 1,577,098 filed by the Opponent

Promoting investment in and development of Canada's oil sands regions on behalf of members of the oil industry by lobbying government officials; Promoting awareness of political and cultural conditions of oil producing nations on behalf of members of the oil industry by lobbying government officials; Consulting services, namely advising third parties whose operations or investments are located in Canada's oil sands regions on the promotion of Canada's political and cultural conditions; Providing a website in the field of advocacy to promote investment in and development of Canada's oil sands regions; Providing a website featuring information on political and cultural conditions of oil producing nations and information on domestic and international responses to such conditions; Entertainment and educational services, namely, providing news stories, blogs, editorial articles and commentary, newsletters, pod casts, online video, archived material and other multimedia entertainment content regarding Canada's oil sands regions and other oil producing nations; Advocacy fundraising; Events and activities to promote lobbying services and advocacy fundraising, namely, live stage performances in the nature of lectures and leading discussions, public demonstrations and stunts; Entertainment services in the nature of development, creation, production and post-production services of multimedia entertainment content; Online social networking services, providing membership to an online community of members, online social networking forums, online social media campaigning, online petition drives, online letter-writing campaigns and online fundraising

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

No Hearing Held

AGENTS OF RECORD

LAVERY, DE BILLY

FOR THE OPPONENT

OLLIP P.C.

FOR THE APPLICANT