

**IN THE MATTER OF OPPOSITIONS by
Canada Post Corporation to application
Nos. 1,123,342 and 1,123,350 for the trade-
marks SPRING and SPRING & Design
respectively, filed by G3 Worldwide Mail N.V.**

[1]. On November 28, 2001, The Name Works B.V. filed applications to register the trade-marks SPRING and SPRING & Design (the Marks) based upon proposed use of the Marks in Canada in association with various delivery services and mail delivery services. The applications claim priority of corresponding trade-mark applications filed on October 31, 2001 in the Benelux under Nos. 999851 and 999814 respectively. Accordingly, the effective filing date of the Canadian applications is October 31, 2001. The applications now stand in the name of G3 Worldwide Mail N.V. following the recordation on November 28, 2002 by the Registrar of an assignment of the Marks. The Name Works B.V. and G3 Worldwide Mail N.V. will be collectively referred to as the Applicant.

[2]. The statement of services in each case was amended a first time on May 20, 2003 in response to an Examiner's report asking for particulars. The statements of services as amended and advertised for opposition purposes in the *Trade-marks Journal* of July 16, 2003 read as follows:

express delivery services by cycle, motorcycle, car, truck, rail, boat and air; storage and packing of goods; transportation of goods by cycle, motorcycle, car, truck, rail, boat and air; mail delivery services by cycle, motorcycle, car truck, rail, boat and air; collecting, loading, sending and promoting of goods, packages, letters, documents, securities, magazines and periodicals; transporting and delivery of freight, goods, packages, letters, documents, securities, magazines and periodicals by cycle, motorcycle, car, truck, rail, boat and air; courier services.

[3]. On February 15, 2005, Canada Post Corporation (the Opponent) filed essentially identical statements of opposition against both applications, claiming that the applications do not conform to the requirements of s. 30(a) and (i) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the

Act), in that at the date of filing of the applications in Canada, the Applicant could not have used or intended to use, nor could it have been satisfied that it was entitled to use the Marks with the applied for services, since such use would be and is unlawful and contrary to s. 14(1) and 56 of the *Canada Post Corporation Act*, R.S.C. 1985, c. C-10 (the CPCA).

[4]. The Applicant filed and served a counter statement in each case in which it denied all grounds of opposition.

[5]. On August 23, 2005, the Applicant filed a revised application in each case, which was accepted by the Registrar, and in which the statement of services was modified in order to read (the additions being marked in bold):

express delivery services by cycle, motorcycle, car, truck, rail, boat and air; storage and packing of goods; transportation of goods by cycle, motorcycle, car, truck, rail, boat and air; delivery by cycle, motorcycle, car, truck, rail, boat and air of **mail and letters outside the exclusive privilege of Canada Post**; collecting, loading, sending and promoting of goods, packages, **mail and letters outside the exclusive privilege of Canada Post**, documents, securities, magazines and periodicals; transporting and delivery of freight, goods, packages, **mail and letters outside the exclusive privilege of Canada Post**, documents, securities, magazines and periodicals by cycle, motorcycle, car, truck, rail, boat and air; courier services.

[6]. The Opponent requested leave to amend its statement of opposition in each case to address the changes made in the applications. Leave was granted by the Registrar on June 22, 2006 to amend the statements of opposition so as to add a further ground of opposition based on s. 30(a) in that the services are not described in ordinary commercial terms because the term “outside the exclusive privilege of Canada Post” is not an ordinary commercial term. The Applicant then requested and obtained leave to amend its counter statement in each case so as to deny that further ground of opposition and to state that the expression “outside the exclusive privilege of Canada Post” does not alter the description of services but provides more details concerning the type of products covered by the services.

[7]. As its evidence in each case, the Opponent submitted an affidavit of Patrick J. Bartlett, Vice President of Direct Marketing of the Opponent, sworn March 21, 2006. I will use the singular form to refer to both affidavits of Mr. Bartlett, which share the same structure. The

Applicant filed a single set of affidavits of Lou Laforest, the Chairman of the Board and Director of G3 Worldwide (Canada) Inc., sworn November 20, 2006 and Zeina Waked, paralegal at the employ of the Applicant's agent firm, sworn November 22, 2006 in respect of the two oppositions. Mr. Laforest was cross-examined on his affidavit on June 26, 2007 and the transcript of the cross-examination and the responses to undertakings form part of the record. The Applicant also filed the affidavit of Jennifer Petras, paralegal at the employ of the Applicant's agent firm sworn October 15, 2007 as supplemental evidence in each case. I will use the singular form to refer to both affidavits of Ms. Petras, which share the same structure.

[8]. Each party filed a written argument and was ably represented at an oral hearing in each case.

[9]. Before assessing each of the three grounds of opposition in the instant cases, I wish to do a quick summary of the history and the facts of these cases.

Overview of the history and the facts of the instant cases

[10]. The parties to the instant proceedings are not strangers. They, and other members of the trade, have been involved in a few legal disputes that involved amongst other issues, a determination of a question of law, namely whether "the sole and exclusive privilege of collecting, transmitting and delivering letters to the addressee thereof within Canada" provided for in s. 14 of the CPCA in favour of the Opponent is to be interpreted as prohibiting others from collecting or transmitting letters within Canada for purposes of delivery to destinations *outside* of Canada in addition to those within Canada. While the legal issues raised in these other disputes differ from the ones at stake in the instant proceedings, the facts at their origin are essentially the same and may be summarized as follows.

[11]. The Opponent is a crown corporation established by Parliament to provide universal mail service in Canada. It is the successor to the Department of the Post Office. Canada has, since Confederation, provided statutory protection to its national postal service in order to facilitate the collection from and delivery to all Canadians of mail, regardless of where they

reside, at uniform rates. The uniform rate that the Opponent charges for its various classes of service has been a tradition of the Canadian postal administration since it began, and remains a core component of the Opponent's system [Bartlett affidavit, paragraphs 9-11].

[12]. The obligation to provide mail service to all points in Canada, however remote, has been codified in all of the legislation relating to the Department of the Post Office and, more recently, the Opponent under the CPCA [Bartlett affidavit, paragraph 13]. The Opponent, and before it the Department of the Post Office, has always been granted protection for its mail system by statutory provisions that place restrictions on the operations of private courier companies with respect to mail [Bartlett affidavit, paragraph 2]. The statutory protection granted to the Opponent is currently found in s. 14 of the CPCA, and has existed in varying forms in all of the statutes regarding Canada's mail system since Confederation [Bartlett affidavit, paragraph 18]. Subject to the exceptions set out in s. 15 of the CPCA, s. 14 of the CPCA gives the Opponent "the sole and exclusive privilege of collecting, transmitting and delivering letters to the addressee thereof within Canada."

[13]. The rationale for this exclusive privilege is to allow the Opponent to provide ordinary mail service throughout the country at a uniform rate despite its many geographical challenges. The relatively lower cost of providing service to the 80% of the population that lives largely in dense urban centres within 150 kilometres of the southern border with the United States offsets the relatively higher cost of providing service to the remaining 20% of the population that lives throughout the more remote parts of Canada and permits the Opponent to charge the uniform rate it does for its various services within Canada [Bartlett affidavit, paragraph 19].

[14]. The Applicant is an international joint venture of TPG N.V, Royal Mail and Singapore Post, which provide, directly or through subsidiaries, respectively, the national postal services of the Netherlands, the United Kingdom, and Singapore. It is the parent company of G3 Worldwide (Canada) Inc. carrying on business as Spring Canada [Laforest affidavit, paragraphs 4-5]. Spring Canada is a licensee of the Applicant for the Marks [Transcript of cross-examination of Lou Laforest, pages 12-14; and answers to first and second undertakings]. The Applicant and Spring Canada will be hereinafter sometimes referred to collectively as Spring.

[15]. Spring is engaged in the outbound international mail business in Canada (that is the collection, transmission, or delivery of mail from Canada to international destinations) [Laforest affidavit, paragraphs 8-14]. Spring's operations began in January 2002 [transcript of cross-examination of Lou Laforest, page 16] and focus for the most part on institutional and corporate entities in Canada, which typically send high volumes of mail [Bartlett affidavit, paragraph 38; Laforest affidavit, paragraph 8].

[16]. In 2003, the Opponent advised Spring that its operations violated s. 14 of the CPCA and, if it would not voluntarily restrict its activities, the Opponent would commence legal action. Spring refused to curtail its operations and legal proceedings were instituted before the Ontario Superior Court of Justice to stop Spring [Bartlett affidavit, paragraphs 45-49].

[17]. The Opponent's exclusive privilege of collecting, transmitting and delivering letters including letters addressed to foreign destinations was first confirmed by the Ontario Superior Court of Justice on August 12, 2004 in the case *Canada Post Corp. v. Key Mail Canada Inc.* [2004] O.J. No. 3446 (*Key Mail Canada* case). Key Mail appealed that decision to the Ontario Court of Appeal and Spring Canada was added as an intervener in that case. On April 15, 2005, the Ontario Court of Appeal issued its decision in the case dismissing the appeal and upholding the Opponent's exclusive privilege under s. 14 of the CPCA. Leave to appeal that decision was refused by the Supreme Court of Canada on December 22, 2005. As will be discussed further below, the Applicant amended the statement of the services in its trade-mark applications to add the phrase "outside the exclusive privilege of Canada Post" after the Ontario Court of Appeal had issued its decision in the *Key Mail Canada* case.

Grounds of opposition

[18]. I will now analyze the grounds of opposition in regard to the evidence filed in the record, without necessarily respecting the order in which they were raised in the statements of opposition.

Section 30(a) ground of opposition – services not described in ordinary commercial terms

[19]. The Applicant contends that the applications do not comply with s. 38(2)(a) and s. 30(a) of the Act because, “the services are not described in ordinary commercial terms as required by s. 30(a) of the Act. In particular, the term “outside the exclusive privilege of Canada Post” used in several places in the [a]pplication[s], is not an ordinary commercial term.”

[20]. Generally, the material date for considering grounds of opposition based on s. 30 of the Act is the date the application was filed. However, when an application has been amended to conform to ordinary commercial terms in response to a preliminary report by the Examiner, the amended application date will be considered as the material date for considering grounds of opposition that are based on s. 30(a) [*Eaton Williams (Millbank) Ltd. v. Nortec Air Conditioning Industries Ltd.* (1982), 73 C.P.R. (2d) 70 (T.M.O.B.)]. Applying similar reasoning to the instant cases, the material date is August 23, 2005, that is the date the applications were last amended.

[21]. The statement of services of each application covers seven categories of services that are separated by semi-colons. Three of these categories of services list “mail and letters outside the exclusive privilege of Canada Post” as part of the different types of articles they relate to. The Opponent only objects to these latter types of articles being included in the statement of services. It does not object to the other categories of services or other types of articles so listed.

[22]. The Opponent contends that the expression “outside the exclusive privilege of Canada Post” is not an ordinary commercial term. The Opponent, relying on *Odutola on Canada Trade-mark Practice* (Toronto: Carswell, 2008, at 3-32), contends that the expression “ordinary commercial terms” is generally understood to mean a non-technical and clear description of the wares or services as customarily used in the trade to refer to the wares or services and so understood by an average person. In the instant cases, the Opponent contends that the types of articles of “mail and letters” covered by the statements of services are dependent on exclusions that are incorporated by reference to outside legal documents. The Opponent contends that not only are such exclusions not defined in ordinary commercial terms, but also that the intervention of the courts (as summarized above) was needed so as to determine the boundaries of the Opponent’s exclusive privilege with respect to outbound international mail.

[23]. The Opponent contends that to the extent that the service is an “exception” to the exclusive privilege of the Opponent, how it is an exception or outside the exclusive privilege is required to be precisely defined; it is improper to negatively qualify a service listed in a trademark application by stating that the service is “outside the exclusive privilege of Canada Post”. The description is vague and ambiguous and does not precisely and with certainty define what service will be provided by the Applicant.

[24]. In support of its contentions, the Opponent further underlines Mr. Laforest’s admissions made during his cross-examination that the Applicant does not use the expression “outside the exclusive privilege of Canada Post” to describe its services on its website or on other marketing or promotional materials [transcript of cross-examination of Lou Laforest, pages 66-67]. Mr. Laforest further admitted that the expression “outside the exclusive privilege of Canada Post” is dependent on exclusions and he is not aware of all the exclusions and that some in the industry would not know where to look for the exclusions [transcript of cross-examination of Lou Laforest, pages 83-84].

[25]. The Opponent further underlines that Mr. Laforest clearly stated that the addition of the phrase “outside the exclusive privilege of Canada Post” does not alter the nature of the services or change the details that a person of the Canadian public would get from reading that phrase [transcript of cross-examination of Lou Laforest, page 87]. The Opponent contends that this is contrary to the submission made by the Applicant at the time of amending the applications. The Opponent submits that if the phrase has no effect, then performance of the stated services contravenes the provisions of the CPCA.

[26]. The Applicant contends for its part that the expression “outside the exclusive privilege of Canada Post” means, in plain words, outside Canada Post’s monopoly. The Applicant submits that such expression does not alter the very specific nature of the services rendered which are “delivery, collecting, loading, sending and promoting, and transporting and delivery of different types of articles”. The Applicant contends that the expression is connected with “mail and letters” which is clear and easy to understand; the fact that a reader would not know exactly what is comprised in the “exclusive privilege” has no bearing on the conclusion

that the reader knows what the services are and does not render the statement of services contrary to s. 30(a) of the Act. The Applicant points out that the Opponent itself refers to its “exclusive privilege” in the very language that it uses in order to communicate with the public, as evidenced by the affidavit of Zeina Waked, who located on the Opponent’s website “www.canadapost.ca”, references to the expression “exclusive privilege” in various places, namely in the catalogue mail, the annual reports, the general terms and conditions and the Canada Postal Guide.

[27]. The Applicant, relying on the affidavit of Jennifer Petras, further contends that there are a number of examples from the Canadian register of trade-marks comprising in the statement of wares or services analogous references to legislation, which were accepted by the Registrar. The examples provided essentially pertain to lottery scheme as authorized pursuant to the Criminal Code or Canadian legislation. The Applicant contends that it does not mean that everyone understands and can recite the Criminal Code or any other legislation; it is used to refer to a piece of legislation to provide more detail as to the specific boundaries of the products or the services which are stated in colloquial words, accessible to everyone, as is the case for the Applicant’s statements of services. The Applicant contends that there is sometimes no better way to express it. In reading the description of services, the reader understands each and every service mentioned in the applications and understands as well that the letters and mail must meet certain criteria falling within the expression “outside the exclusive privilege of Canada Post”. The Applicant contends that it is not reasonable to expect that a more specific statement can be provided by the Applicant. While not without merit, I disagree with the Applicant’s position.

[28]. As indicated above, s. 15 of the CPCA expressly provides for exceptions to the Opponent’s exclusive privilege set out in s. 14 of the CPCA. The Opponent does not have an absolute monopoly on the collection, transmission and delivery of all types of letters to the addressee thereof within Canada, but rather a limited exclusive privilege as underlined by the Opponent itself in its written argument.

[29]. Section 14 indicates that:

Exclusive privilege

14. (1) Subject to section 15, the Corporation has the sole and exclusive privilege of collecting, transmitting and delivering letters to the addressee thereof within Canada.

Other mail

(2) Nothing in this Act shall be construed as requiring any person to transmit by post any newspaper, magazine, book, catalogue or goods.

[30]. Section 15 indicates that:

15. (1) The exclusive privilege referred to in subsection 14(1) does not apply to:

[...]

c) letters lawfully brought into Canada and forthwith posted thereafter;

[...]

e) letters of an urgent nature that are transmitted by a messenger for a fee at least equal to an amount that is three times the regular rate of postage payable for delivery in Canada of similarly addressed letters weighting fifty grams;

[...]

[31]. Section 2 of the *Letter Definitions Regulations* defines “letter” for the purpose of the CPCA and any regulation thereof; “letter” means:

[...] one or more messages or information in any form, the total mass of which, if any, does not exceed 500 g, whether or not enclosed in an envelope, that is intended for collection or for transmission or delivery to any addressee as one item, but does not include

(a) an item carried incidentally and delivered to the addressee thereof by a sender who is a friend of the addressee;

(b) an item of an urgent nature carried by an employee where the average salary cost to the employer for delivery of that item is at least equal to an amount that is three times the regular rate of postage payable for delivery in Canada for a similar item weighing 50 g;

(c) an item having no further address than “householder”, “boxholder”, “occupant”, “resident”, or other similar expression;

(d) an item relating to the official functions of a diplomatic or consular mission or covered by the privileges and immunities provisions of international conventions to which Canada is a party;

(e) a cheque, money order or Receiver General payment instrument;

(f) a tape, microfilm, disc or similar mass storage device, on which a message or information is recorded by electronic or optical means;

(g) a newspaper, magazine, book, catalogue, blank form, manuscript or musical score;

(h) an invoice or other document relating to

(i) an item in paragraph (g),

- (ii) a specimen for medical or scientific analysis, or
 - (iii) goods
- when delivered therewith by the individual delivering such item, specimen or goods;
- (i) an invoice or other document relating to the supply of goods or services that is delivered by
 - (i) the supplier to the recipient at the supplier's normal business address,
 - (ii) the recipient at
 - (A) a financial institution indicated by the supplier, or
 - (B) the supplier's normal business address, or
 - (iii) the individual who performed the services;
 - (j) an invoice or other document prepared for delivery to an addressee from information obtained at the location of such addressee at the time of its delivery;
 - (k) a bill of exchange, promissory note, draft, settlement voucher, money order, Receiver General warrant or any other payment order or instruction for the payment of money, or any similar or related document, in transit in or between
 - (i) one or more institutions or any branch or office thereof that accept deposits transferable by order to a third party,
 - (ii) the Canadian Payments Association or any branch or office thereof, or
 - (iii) any of the places referred to in subparagraphs (i) and (ii)
 for the purpose of processing, exchange, clearing or settlement;
 - (l) an order or instruction given to any institution referred to in subparagraph (k)(i) for the payment of money, arising out of any transaction in which a payment, debit, credit, charge or account access card is used;
 - (m) an instrument, certificate or other document evidencing or relating to an interest in a security or commodity, while in transit in or between any
 - (i) securities or commodities exchange, clearing house, or member thereof, or any branch or office thereof,
 - (ii) body regulating trading in securities or commodities, or member or registrant thereof, or any branch or office thereof,
 - (iii) bank or other financial institution or any branch or office thereof, or
 - (iv) any of the places referred to in subparagraph (i), (ii) or (iii).

[32]. The number and technical nature of the exceptions provided for in the legislation recited above may at first sight justify the Applicant's reliance on the expression "outside the exclusive privilege of Canada Post". However, a closer look at the exceptions that find application to the Applicant's case reveals that they are essentially limited to courier services and the collection, transmission and delivery of goods and magazines (which have been set out in the instant applications and to which the Opponent does not object) and the collection, transmission and delivery of letters "that exceed 500 g".

[33]. Considering the nature and extent of the Opponent's exclusive privilege with respect to the collecting, transmitting and delivery of letters, the type of "mail and letters" covered by the

objected to services should have been precisely defined so as to provide a clear understanding of the scope of these services.

[34]. It is not possible to ascertain with any degree of certainty to what the objected to services pertain. The expression “outside the exclusive privilege of Canada Post” is dependent on exclusions. As indicated above, Mr. Laforest admitted that he is not aware of all the exclusions and that some in the industry would not know where to look for the exclusions.

[35]. Pursuant to s. 30(a) of the Act, an application shall contain a statement in ordinary commercial terms of the specific wares or services in association with which the mark is proposed to be used. I am of the view that the exclusions as described by the Applicant in the instant cases do not fall within the scope of listing or identifying the specific services contemplated by the applications.

[36]. The instant cases can be distinguished from the examples from the register of trademarks mentioned above in that in all those cases, the wares or services had still been defined without the need to resort to outside legal legislation incorporated by reference to understand their nature or scope.

[37]. Accordingly, the Applicant has not complied with the requirements of s. 30(a) of the Act with respect to the following services:

- delivery by cycle, motorcycle, car truck, rail, boat and air of mail and letters outside the exclusive privilege of Canada Post;
- collecting, loading, sending and promoting of mail and letters outside the exclusive privilege of Canada Post; and
- transporting and delivery of mail and letters outside the exclusive privilege of Canada Post.

[38]. Thus, the s. 30(a) ground of opposition succeeds with respect to these services.

Section 30(i) ground of opposition

[39]. The Applicant contends that the applications do not comply with s. 38(2)(a) and s. 30(i) of the Act because, “at the date of filing of the application[s] in Canada, the Applicant could not have been satisfied that it was entitled to use the [Marks] in relation to the applied for services, since such use would be and is unlawful. Any use of the [Marks] in association with the services set out in the application[s] would be and is unlawful contrary to s. 14(1) and 56 of the CPCA.”

[40]. The material date for considering a ground of opposition based on s. 30(i) of the Act is the date the application was filed [*Canadian Olympic Association v. Les Méthodes Sportives Gaétan Ménard Inc.* (1987), 15 C.P.R. (3d) 544 (T.M.O.B.); *E. Remy Martin & Co. S.A. v. Magnet Trading Corporation (HK) Ltd.* (1988), 23 C.P.R. (3d) 242 (T.M.O.B.); and *Tower Conference Management Co. v. Canadian Exhibition Management Inc.*, (1990) 28 C.P.R. (3d) 428 (T.M.O.B.)]. Accordingly, the material date in the instant cases is October 31, 2001 that is the effective filing date of the Canadian applications as indicated above.

[41]. The Applicant has formally complied with the provisions of s. 30(i) by including the required statement in its applications that it is satisfied that it is entitled to use each of the applied for marks. The issue then becomes whether or not the Applicant has substantially complied with that subsection i.e. was the statement true when the application was filed? Furthermore, is the truthfulness of that statement to be assessed applying a “subjective” standard that is considering the Applicant’s knowledge or belief at the time of filing the instant applications, or an “objective” standard that is considering the lawfulness of the applications?

[42]. At the time of filing the Canadian applications, there was no litigation between the parties. As indicated above, it is only in 2003 that the Opponent advised Spring that its operations violated s. 14 of the CPCA. The Ontario courts decided against Spring but that was much later.

[43]. The acts of the Opponent up until 2003 support the Applicant’s contention that it was satisfied at the time of filing its applications that it had the right to use the applied for marks in

connection with outbound international mail activities, as the Applicant believed such activities to be outside the scope of the Opponent's exclusive privilege set out in s. 14 of the CPCA.

[44]. While Mr. Bartlett states in his affidavit that the Opponent became increasingly aware in late 2002 and early 2003 of the volume of business being conducted by commercial couriers with respect to the collection and transmittal of international mail, the facts set forth by Mr. Laforest lead me to conclude that the Opponent has known about and competed in the outbound international mail industry since at least 1990, if not before. Furthermore, the Opponent has had a particularly long and involved relationship with Spring's predecessor (TNT), that has included an ownership interest in Spring's predecessor operation in the cross-border mail industry. As stressed by the Applicant, the Opponent has not contradicted Mr. Laforest's testimony.

[45]. I wish to reproduce on this point a passage from Justice Morawetz of the Ontario Superior Court of Justice in *Canada Post Corp. v. G3Worldwide (Canada) Inc.*, 2006 CarswellOnt 3121, [2006] O.J. No. 2035, [confirmed 2007 ONCA 348, 85 O.R. (3d) 241] (hereinafter the *G3Worldwide* case) that summarizes well the parties' previous dealings in the outbound international mail industry as evidenced by the Laforest affidavit:

9. Spring submitted that the dealings between Canada Post and TNT (an entity whose assets used in the outbound international mail operations were sold to Spring when the latter was created in 2001), could be traced back to the 1980s, when a number of private companies, including TNT, began operating in Canada in the area of outbound international mail. Canada Post was not only aware of these operations, but it also responded to such competition, for example, by offering competitive prices and other features such as mail pickup on demand and priority mail processing, to try to win back the servicing of international-bound mail from its competitors. Furthermore, Spring submitted that Canada Post entered into a joint venture to share the express courier services with the French, German, Swedish, and Dutch post offices during 1992-1996 and TNT was a partner to the joint venture. [...]

[46]. However, the Applicant's applications were not, at the time of their filing, restricted in *any* way; the Applicant applied for the Marks in connection with the collection, transmitting and delivery of mail and letters as follows:

express delivery services by cycle, motorcycle, car, truck, rail, boat and air; storage and packing of goods; transportation of goods by cycle, motorcycle, car, truck, rail, boat and air; mail delivery services by cycle, motorcycle, car, truck, rail, boat and air; collecting, loading, sending and promoting of goods, packages, letters, documents, securities, magazines and periodicals; transporting and delivery of freight, goods, packages, letters, documents, securities, magazines and periodicals by cycle, motorcycle, car, truck, rail, boat and air; courier services

[47]. As described, such activities do not take into account the Opponent's exclusive privilege with respect to the collecting, transmitting and delivery of letters. They encompass not only outbound international mail activities but also "inbound international mail activities" that is the collection, transmission or delivery of letters from international destinations to Canada.

[48]. The Applicant has repeatedly mentioned that it was not involved in inbound international mail activities or conducting such business which it believed are illegal [transcript of cross-examination of Lou Laforest, pages 24-25 – "*We do not conduct business like that because it is, in my opinion, it's illegal*" – the Applicant does not deliver any mail to Canadian addressees (page 33, lines 11-13 of the transcript)]. Thus, at the time of filing the instant applications, the Applicant could not be satisfied that it had the right to use the applied for marks in connection with the services as originally broadly defined. The Applicant knew from the beginning that part of its services having to do with "mail and letters" were subject to Canada Post's exclusive privilege. The Applicant should have already restricted its services to those falling outside the exclusive privilege of the Opponent, notwithstanding the fact that the boundaries of such privilege with respect to outbound international mail were not at issue between the parties at that time.

[49]. Thus, applying the "subjective" standard discussed above, I am not satisfied that the Applicant's statement that it was satisfied of its rights to use the Marks with the services as broadly defined was true when the applications were filed.

[50]. My finding is the same if I am to apply the "objective" standard.

[51]. As indicated above, the Applicant last amended its trade-mark applications to add the phrase "outside the exclusive privilege of Canada Post" to some of its services, namely the

activities having to do with “mail and letters” after the Ontario Court of Appeal had issued its decision in the *Key Mail Canada* case.

[52]. In both the *Key Mail Canada* case and the *G3Worldwide* case, the Courts found as a fact that Spring’s operations that consisted of the business of providing outbound international mail services violated the exclusive privilege granted to the Opponent. The Courts’ finding is that this *is* and *always was* the law.

[53]. In line with the principle that the whole thrust of the *Trade-marks Act* is to promote and regulate the lawful use of trade-marks [*McCabe v. Yamamoto & Co. (America) Inc.* (1989) 23 C.P.R. (3d) 498 (F.C.T.D.)], unlawful services cannot be included in the statements of the instant applications. Thus, notwithstanding the Applicant’s belief that its outbound international mail services did not violate the Opponent’s exclusive privilege at the time of filing the instant applications, the fact that part of the services covered by the instant applications were unlawful renders the applications unlawful with respect to those services.

[54]. The fact that the applications were amended by the Applicant to refer to services outside the exclusive privilege of Canada Post further supports the finding that the applications as originally filed were unlawful and in breach of s. 14 of the CPCA. To find otherwise would mean that the amendment has no effect.

[55]. Having regard to the foregoing, the Opponent has satisfied the initial burden upon it necessary to put into issue the allegation that the applications do not conform to s. 30(i) of the Act. The Applicant having failed to satisfy its evidential burden, the s. 30(i) ground of opposition accordingly succeeds with respect to the following services:

- delivery by cycle, motorcycle, car truck, rail, boat and air of mail and letters outside the exclusive privilege of Canada Post;
- collecting, loading, sending and promoting of mail and letters outside the exclusive privilege of Canada Post; and
- transporting and delivery of mail and letters outside the exclusive privilege of Canada Post.

Section 30(a) ground of opposition – unlawful services

[56]. The Applicant contends that the applications do not comply with s. 38(2)(a) and s. 30(a) of the Act because, “at the date of filing of the application[s] in Canada, the Applicant could not have used or intended to use the [Marks] in relation to the applied for services, since such use would be and is unlawful. Any use of the [Marks] in association with the services set out in the application[s] would be and is unlawful contrary to s. 14(1) and 56 of the CPCA.”

[57]. Applying the reasoning discussed above, the material date for considering this further ground of opposition based on s. 30(a) of the Act is August 23, 2005, that is the date the applications were last amended.

[58]. As per my finding above, the statements of services as last amended are not satisfactory in that they are not defined in ordinary commercial terms. However, as they expressly exclude “mail and letters outside the exclusive privilege of Canada Post”, they cannot be said to be “unlawful”.

[59]. In any event, in my view, the s. 30(a) ground of opposition as pleaded does not raise a proper ground of opposition. The lawfulness of the instant applications has been properly pleaded under s. 30(i) of the Act.

[60]. This further ground of opposition based on s. 30(a) of the Act thus fails.

Disposition

[61]. Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the applications with respect to the following services:

- delivery by cycle, motorcycle, car, truck, rail, boat and air of mail and letters outside the exclusive privilege of Canada Post
- collecting, loading, sending and promoting of mail and letters outside the exclusive privilege of Canada Post

- transporting and delivery of mail and letters outside the exclusive privilege of Canada Post

and I reject the oppositions with respect to the remainder of the services, namely:

- express delivery services by cycle, motorcycle, car, truck, rail, boat and air
- storage and packing of goods
- transportation of goods by cycle, motorcycle, car, truck, rail, boat and air;
- collecting, loading, sending and promoting of goods, packages, documents, securities, magazines and periodicals
- transporting and delivery of freight, goods, packages, documents, securities, magazines and periodicals by cycle, motorcycle, car, truck, rail, boat and air
- courier services

[see *Produits Menagers Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 C.P.R. (3d) 492 (F.C.T.D.) as authority for a split decision].

DATED AT Montréal, Québec, THIS 15th DAY OF March 2010.

Annie Robitaille
Member
Trade-marks Opposition Board