



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

Citation: 2015 TMOB 161
Date of Decision: 2015-09-10

IN THE MATTER OF AN OPPOSITION

Taste of BC Fine Foods Ltd.	Opponent
and	
Karry Chi-Wai Au-Yeung	Applicant
1,559,169 for TASTE OF B.C.	Application

[1] On January 10, 2012 Karry Chi-Wai Au-Yeung (the Applicant) filed an application for registration of the trade-mark TASTE OF B.C. (the Mark) subject to application No. 1,559,169 based on proposed use in association with:

GOODS:

Fruit-based confectionery, snack foods, namely, corn chips, potato chips and fruit-based snack mixes, soups, dried beef, smoked fish, preserves and condiments, namely mustard, chutney, jams, jellies, marmalade and syrup; souvenirs, namely magnets, spoons, bookmarks, ornamental novelty pins, coins, patches, crests, key tags, key chains, decals, bumper stickers, stickers, cloth and paper pennants, cloth and paper flags, lighters, engravings, pewter and jade figurines, coffee mugs, shot glasses, beer steins, salt and pepper shakers, plates, coasters, ashtrays, spoon rests, Christmas ornaments, picture frames, candles, candle holders and travel mugs; stationery, namely pencil cases, erasers, pencils, writing pads, pens, rubber stamps, paperweights and address books; paper goods, namely postcards, souvenir books, playing cards, posters, calendars, notebooks, art prints, photographic prints, lithographic prints, colour prints, pictorial prints, gift bags and greeting cards; textile goods, namely, oven mitts, tea towels, ties, aprons, linen bags, scarves,

placemats, iron-on patches and tote bags; jewellery; crystal giftware, namely decorative crystal bearing west coast native art themes or images, namely glasses, paperweights, prisms, sculptures, statues, and vases; works of art, namely, dream-catchers, sun-catchers, First Nations ornaments, masks, plaques and drums; sculptures, wood and stone carvings and paintings.

SERVICES:

Retail stores services featuring food products, souvenirs, stationery, paper goods, textile goods, jewellery, giftware and works of art.

[2] The application was advertised in the September 19, 2012 issue of the *Trade-marks Journal*.

[3] The statement of opposition was filed on November 19, 2012. It raises five grounds of opposition under section 38 of the *Trade-marks Act*, RCS 1985, c T-13 (the Act) which can be summarised as follows:

- 1 . Pursuant to sections 38(2)(a) and 30(e) of the Act, at the date of filing the application the Applicant did not intend to use the Mark in Canada in association with all of the Goods and Services in the application.
- 2 . Pursuant to sections 38(2)(a) and 30(i) of the Act, the Applicant could not have been satisfied and cannot be satisfied of his entitlement to use the Mark in Canada, in association with the goods and services described in the application, since the Applicant's company's right to use the Mark granted to it under a previous license was terminated and at the time of filing the application, the Applicant was aware of the rights of the Opponent in the Mark and is estopped from claiming any ownership interest in the Mark.
- 3 . Pursuant to sections 38(2)(c) and 16(3)(a) of the Act, at the time of filing the application for the Mark, the Mark was confusing with the Opponent's trade-marks TASTE OF B.C., TASTE OF BC and TASTE OF BC & Design (the Opponent's Marks) previously used in Canada by the Opponent, its predecessor or both, in association with many of the same or similar goods and services.
- 4 . Pursuant to sections 38(2)(c) and 16(3)(c) of the Act, at the time of filing the application for the Mark, the Mark was confusing with the Opponent's trade name Taste of BC, previously used in Canada by the Opponent, its predecessor or both.
- 5 . Pursuant to sections 38(2)(d) and 2 of the Act, the Mark does not distinguish nor is it adapted to distinguish the goods and services of the Applicant from the goods and services of others, and more particularly, the goods and services of the Opponent, which the Opponent, its predecessors or both have sold or performed in association with the Opponent's Marks.

[4] The Applicant filed and served a counter statement denying all grounds of opposition.

[5] In support of its opposition the Opponent filed two affidavits of Harold Steven Atkinson – one sworn July 19, 2013 (as its evidence in chief) and one sworn March 18, 2014 (as its evidence in reply) as well as an affidavit of Aleah Nicole Scarfo. Mr. Atkinson was cross-examined on September 25, 2014 and copies of the transcript and responses to undertakings form part of the record.

[6] In support of its application, the Applicant filed an affidavit sworn by himself. The Applicant was not cross-examined on his affidavit.

[7] Both parties filed written arguments and were represented at a hearing which took place on August 28, 2015.

Onus and Material Dates

[8] 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 its ground of opposition exist [see *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

[9] The material dates that apply to the grounds of opposition are as follows:

- 1 . sections 38(2)(a)/30 - the date of filing the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 at 475 (TMOB) and *Tower Conference Management Co v Canadian Exhibition Management Inc* (1990), 28 CPR (3d) 428 at 432 (TMOB)];
- 2 . sections 38(2)(c)/16(3) – the date of filing the application [section 16(3) of the Act];
- 3 . sections 38(2)(d)/2 - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Preliminary Remark

[10] I wish to point out that while I have considered all of the evidence and submissions of record, I will only be specifically referring to portions which are directly relevant to my findings.

Section 30(i) of the Act

[11] Section 30(i) of the Act only requires the Applicant to declare that it is satisfied that it is entitled to use the Mark in Canada in association with the goods and services described in the application. Such a statement is included in this application. The issue now is whether it was reasonable for the Applicant to be satisfied that he was so entitled.

[12] The parties are no strangers to each other when it comes to litigation dealing with the TASTE OF BC trade-mark – both in BC Provincial courts and before the Trade-marks Opposition Board (application No. 1,435,428 refused by Member Carrière; *Taste of BC Fine Foods Ltd v Karry Chi-Wai Au-Yueng* 2013 TMOB 192). I shall now summarize the relevant facts as set out in the evidence of record before me.

[13] Mr. Atkinson alleges that in the spring of 2001 he and his wife began to sell smoked salmon products at the ‘Marketplace’ shops at the Swartz Bay ferry terminal near Sidney, British Columbia operating under the registered partnership Nachalah Farm. He states that Nachalah Farm used the TASTE OF BC trade-mark at the Swartz Bay Marketplace during the high tourist season between April and October of each of the years 2002, 2003 and 2004 in association with salmon and smoked salmon products. In 2004, Nachalah Farm expanded its business to include a second location at the Departure Bay Ferry Terminal in Nanaimo, British Columbia and a third location at the Tsawwassen Ferry Terminal in Tsawwassen, British Columbia. He states that it also expanded its line of products to include “salmon pate, soups and chowders, salmon wraps, paninis and quiche”.

[14] Mr. Atkinson states that on November 17, 2004, he and his wife incorporated the Opponent and transferred any and all rights in the TASTE OF BC trade-mark and trade-name to the Opponent. Mr. Atkinson confirms that he and his wife continued to exercise control over the quality and character of the Opponent’s goods, its retail market stalls and its website.

[15] Mr. Atkinson states that on June 21, 2005 the Opponent opened a retail store and fast food outlet in the Tsawwassen Quay Market under the name TASTE OF BC. He filed copies of photographs he took of the signage used at the store in 2005. He further states that the Opponent continued to operate its Swartz Bay and Departure Bay locations during the high tourist season

of April to October. He states that all of the locations displayed signage containing the operating name TASTE OF BC.

[16] Mr. Atkinson affirms that in June 2008, the Applicant expressed an interest in purchasing the Opponent's TASTE OF BC store located in Tsawwassen BC. The evidence shows that on August 4, 2008 the Applicant's company, Delane Industry Co. (Delane) and the Opponent executed a Contract of Purchase and Sale (CPS) for the purchase and sale of the assets of the Opponent's Tsawwassen store.

[17] After the sale of the Tsawwassen retail store to Delane, Mr. Atkinson states that the Opponent continued to operate a retail store at Swartz Bay until October 2009; it also continued online sale of its smoked salmon products and gift boxes until 2010 when the website was hacked – he attaches copies of the Opponent's website as it appeared November 2008 to February 2009 to his July 19, 2013 affidavit (Exhibit 25). He submits that the printouts were representative of the appearance of the Opponent's website until late 2009.

[18] Mr. Atkinson also attaches to his July 19, 2013 affidavit samples of labels displaying the TASTE OF BC trade-mark from June 2005 – October 2006 (Exhibit 9) as well as copies of the Opponent's website which he states are representative of its appearance from June 2005 – April 2009 (Exhibit 10). He also attaches labels, menus and display boards used with the Opponent's smoked salmon products, chowders, spice mixtures and paninis all displaying the TASTE OF BC mark as it appeared after December 2006 (Exhibit 12). As proof of the Opponent's sales, upon cross-examination Mr. Atkinson provided GST returns which evidenced sales of over \$300,000 for 2007 and over \$150,000 for 2008 and minimal sales for 2009 – 2012 (with the sales after 2010 coming from orders being filled by the Opponent upon direct request from Canadian and international customers).

[19] There has been significant dispute regarding the details of the transfer of the Tsawwassen store from the Opponent to Delane in 2008.

[20] In his first affidavit, Mr. Atkinson explains that a retail outlet at the Tsawwassen Quay Market required consent from BC Ferries prior to changing its name and thus as part of the sale

the Opponent granted Delane a six-month license to use the Taste of BC trade-name and trade-mark at the retail outlet in order to allow Delane time to get the required consent.

[21] Clauses 9 and 10(a) of the CPS, which Mr. Atkinson attaches to his July 19, 2013 affidavit, read:

9. Conditions – This is a sale of assets only. The Vendor agrees to license the use of the name ‘Taste of BC’ and all registered and unregistered trade-marks connected to the Taste of BC Brand, to the purchaser for a period not exceeding six months from the completion date. Use of trade-marks and name shall be restricted to the operation of the Taste of BC store at Tsawwassen Quay only and shall not be affixed to any products or items for sale unless specifically approved in writing by Taste of BC Fine Foods Ltd.

10. General – There are no warranties, representations, guarantees, promises, or agreements other than those set out therein, all of which shall survive the completion of the sale.

[22] In his affidavit, the Applicant states that due to an infestation of mice in his office his copy of the CPS was destroyed and so for the closing of the sale the Applicant had his lawyer draw up a document based on his understanding of the agreement in principal. This agreement is attached as an exhibit to the Applicant’s affidavit, and as can be seen below, is not inconsistent with the terms of the CPS:

1. We hereby agree to sell and buy the store Taste of BC in Tsawwassen for the prices for all equipment, lease holding improvements, decorations for \$50,000 and BBQ equipment for \$22,500 for a total of \$72,500
2. Delane Industry Co. Ltd. paid a deposit of \$15,000
3. Take over day will be August 15, 2008
4. On the take-over day, Steve [Mr. Atkinson] is allowed to take back all his stocks, and computer system and an open top freezer in the dry storage area.
5. Steve has to leave enough supplies for us to work for few days. Since it is very difficult to get approval from Management Company and BC Ferries, therefore Steve has to leave his store sign for us to use for 6 months. After 6 months he can come and get it back.

[23] In his July 19, 2013 affidavit, Mr. Atkinson affirms that, prior to the expiry of the license included in the CPS, the Opponent offered Delane an opportunity to renew the license. Mr. Atkinson attaches to his July 19, 2013 affidavit a copy of a document entitled “Offer to Renew”

in which reference is made to the expiry of the license on February 15, 2009. The Applicant refused to sign the renewal. In response, Mr. Atkinson launched proceedings against the Applicant in the BC Small Claims Court on April 22, 2009 objecting to the Applicant's use of the Mark and alleging passing off.

[24] The Applicant objected to the fact that there had ever been a license for the Mark granted from the Opponent to the Applicant's company, Delane. However, as demonstrated above, even in his own recollection of the agreement the Applicant refers to permission to use the signage for only six months. It appears the Applicant is confused as to the connection between permission to use the sign and the rights in the trade-mark appearing on the signage.

[25] While there is later evidence in which reference to "goodwill of the business" is made in the listing of assets in an agreement dated August 16, 2008 (Exhibit 6 to Applicant's affidavit), the Opponent raises the interesting point that if the Applicant truly believed that it had purchased goodwill in the trade-mark, why did the application for the Mark not make reference to previous use by the Opponent and Delane as predecessors in title.

[26] A decision issued from the BC Small Claims Court in 2010, in favour of the Opponent. The Applicant was estopped from using the Mark in association with the operation of its business [*Taste of BC Fine Foods Ltd v Delane Industry Co Ltd*, Judgment of the Provincial Court of BC dated: November 1, 2010 – attached to Mr. Atkinson's July 19, 2013 affidavit at Exhibit 22].

[27] Subsequent litigation was launched by the Applicant in the BC Provincial Court on July 6, 2011, a decision of which issued on September 18, 2014. The Applicant submits that in light of the 2014 decision of the BC Provincial Court, the Opponent is estopped from claiming an ownership interest in the TASTE OF BC trade-mark.

[28] In fact, the crux of the Applicant's oral submissions on this ground of opposition rests on the relevance of this decision. At the hearing, the Applicant submitted that at the relevant times there was no impediment to the Applicant using the Mark in Canada. Specifically, the Applicant submits that by virtue of the fact that the Opponent had no registered trade-marks and had been estopped by the 2014 BC Provincial Court decision from asserting passing off against the

Applicant, the Opponent was no longer in control of the goodwill in the TASTE OF BC trade-mark.

[29] The Applicant further submits that even if there had been a license agreement (which the Applicant denies and suggests instead that there had been a transfer to Delane of the goodwill in the TASTE OF BC mark associated with the Tsawwassen store) they did not take proper steps to enforce it. Thus, the Applicant submits that from the date the Opponent filed its first application in the BC Small Claims Court they essentially abandoned their ability to enforce the TASTE OF BC trade-mark.

[30] The Opponent submits that the 2014 BC Provincial Court decision should not be admissible, and even if admissible, it cannot be relied upon as evidence of the truth of the findings of fact therein.

[31] I agree with the Opponent on this issue. Firstly, the 2014 BC Provincial Court decision has not been entered into evidence in the proper manner. Specifically, I note that, in general, the rules of evidence which are applicable in the Federal Court of Canada are applicable in opposition proceedings. Thus, in accordance with section 23(1) of the *Canada Evidence Act*, evidence of any proceeding or record whatever of, in or before any court of Canada may be given by an exemplification or certified copy of the proceeding or record. The Applicant has not provided such evidence of the BC Provincial Court proceeding.

[32] Furthermore, even if the Applicant had submitted this evidence in the proper manner, such type of evidence is not admissible for the truth of its contents (i.e. the findings of fact) but rather serves to establish that a decision was made and that the findings for that decision were based on the evidence before the judge in that particular case [see *Novopharm Ltd v Burroughs Wellcome Inc (and now standing in the name of Glaxo Wellcome Inc)* (1999) (Application No 747,265; t.m.: Shield shape design; May 28, 1999) (TMOB); and *Scott & Ayleen v Nintendo of America Inc* (1992), 47 CPR (3d) 102 at 105 (TMOB)].

[33] Third, the issue in the BC Provincial Court case would not be the same as that in the present ground of opposition. The judge's findings in the BC Provincial Court proceeding would

be specific to the facts of the dispute in which the parties have been engaged in the BC marketplace.

[34] Based on the foregoing, it is clear that at the filing date (January 10, 2012) the right to use the Mark by the Applicant and/or Delane remained in dispute in proceedings before the BC Provincial Court arising from the transfer of assets from the Opponent to Delane in August 2008. Furthermore, at the filing date, the parties were also engaged in opposition proceedings regarding the Applicant's other application for the trade-mark TASTE OF BC (1,435,428) which was ultimately refused by the Registrar on November 6, 2013.

[35] The present situation is analogous to the case of *Lifestyles Improvement Centers, LLP v Chorney* 2007 CanLII 80905 (TMOB). In that case a former licensee applied to register the licensed trade-mark. The applicant's licensor was declared bankrupt in the United States after the applicant applied to register the trade-mark. The opponent claimed to own the rights in the mark applied for after acquiring the assets of the applicant's licensor in US bankruptcy proceedings. One of contracts signed by the applicant contained a clause wherein the applicant undertook not to register the licensed trade-marks.

[36] Board Member Jill Bradbury, when assessing the ground of opposition based on section 30(i) of the Act, stated:

s. 30(i) simply requires the Applicant to state that she was satisfied that she was entitled to use the Mark in Canada. The present application contains such a statement but it is nevertheless possible to enquire whether it was reasonable for the Applicant to be satisfied that she was so entitled.

[37] After reviewing the relevant facts related to this ground of opposition she concluded:

Nevertheless, it is clear from case law that licensees, distributors and the like should not be allowed to usurp their principle's trade-mark [see for example, *McCabe v Yamamoto & Co (America)* (1989), 23 CPR (3d) 498 (FCTD)]. I do not wish to use the term "bad faith" in the present circumstances, since it is not clear to me that Ms. Chorney understood that it may have been inappropriate for her to file the present application. Nevertheless, it appears to me that there was a significant onus on Ms. Chorney to justify that it is appropriate for her to be able to not only monopolize the Mark in the area in which she may have developed a reputation, but to also monopolize it throughout Canada. I find that she has not met this onus. The section 30(i) ground therefore succeeds.

[38] The case is also analogous to the one in *Biker Rights Organization (Ontario) Inc v Sarnia-Lambton Biker Rights Organization* 2012 TMOB 189, wherein the applicant in that case was a former licensee of the opponent who, upon determining that the opponent's registration for a trade-mark had lapsed, set about filing an application for the mark in its own name. In that case, Member de Paulsen held:

Even though the principals of the Applicant may not have understood that it was inappropriate to file the application, this does not preclude the Opponent from succeeding on the section 30(i) ground since the Applicant cannot meet its burden of showing that it could make the statement it was entitled to use the Mark in Canada [*Lifestyles Improvement Centers, LLP v Chorney* (2007), 63 CPR (4th) 261 (TMOB) at para 41].

[39] Similarly in the present case I do not wish to use the term "bad faith" with respect to the Applicant's declaration contained in this application that he was satisfied that he was entitled to use the Mark in Canada.

[40] Applying the principle set out in *Chorney* above, the Applicant had a significant onus to justify that it was appropriate for him to use the Mark in association with the Goods and Services in Canada to the exclusion of others including the Opponent. At the filing date of the application the Opponent was contesting the use of the Mark by Delane, both in BC Provincial Court and before the Trade-marks Opposition Board.

[41] In light of the foregoing, including the clause in the CPS concerning the undertaking by Delane not to use the Mark in association with any products; the Opponent's offer to renew the license for the use of the Mark in association with the operation of the Tsawwassen store which the Applicant refused to sign; the litigation before the courts in BC dealing with a dispute between the parties' regarding the use of the Mark, one which resulted in a judgment against the Applicant and one which remained ongoing at the material date – I conclude that the Applicant has not discharged his burden to show that on January 10, 2012 it was reasonable for him to declare to be satisfied that he was entitled to use the Mark throughout Canada.

[42] Based on the foregoing, I find this ground of opposition is successful.

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

[43] The Opponent is under an initial burden of establishing use of one or more of its pleaded TASTE OF BC trade-marks and/or trade-name prior to the filing date for the application for the Mark (January 10, 2012) as well as non-abandonment of its pleaded marks/name at the date of advertisement (September 19, 2012).

[44] The use by the Opponent and its predecessor in title Nachalah Farm was outlined in detail above in the analysis of the section 30(i) ground of opposition. I am satisfied that this evidence clearly demonstrates use by the Opponent and/or its predecessor in title of the trade-mark and trade-name TASTE OF BC in association with various salmon products, the operation of a retail store and the provision of hot food predating the filing date of the application for the Mark.

[45] The Opponent is now under an evidential burden to establish that it had not abandoned its TASTE OF BC trade-mark and trade-name as of the date of advertisement of the application for the Mark. It is trite law that establishing abandonment requires not only an absence of evidence of use but evidence supporting a finding of intention to abandon.

[46] While it is true that the Opponent's sales of products and services in association with the TASTE OF BC trade-mark and trade-name had decreased significantly at the date of advertisement – the Opponent explains the reason for this dip in sales. Mr. Atkinson explains that salmon stocks were down and he began to have difficulty keeping stock in his stores. In response, principals of the Opponent incorporated Taste of BC Aquafarms and invested funds for the development of a land-based aquafarm. Principals of the Opponent then shifted their focus to the aquafarm maintaining only minimal sales of products through the Opponent upon direct request from Canadian and international customers. On cross-examination, Mr. Atkinson submits that Taste of BC Aquafarms Inc. started harvesting fish in January 2014 and he confirmed the Opponent's plans to produce smoked salmon products and reopen a tourist shop.

[47] It is thus clear that the Opponent did not have an intention to abandon the TASTE OF BC trade-mark and trade-name – rather, to the contrary it had every intention to resume use in association with salmon products and the operation of a retail store just as soon as salmon stocks were replenished.

[48] Based on the foregoing, I am satisfied that the Opponent has met its evidential burden under this ground of opposition. I must now determine whether the Applicant has met its onus of proving no likelihood of confusion on a balance of probabilities.

[49] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that 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.

[50] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks 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 in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See, in general, *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC) and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 96 CPR (4th) 361 (SCC).]

[51] In the present case, I do not consider it necessary to engage in a lengthy confusion analysis. The parties' marks are almost identical with the only difference being the periods between B.C. in the Mark (there are no periods between those letters in the Opponent's TASTE OF BC trade-mark). The Opponent has demonstrated evidence of use of the Opponent's TASTE OF BC trade-mark and trade-name in association with some of the Goods and Services – and I accept the Opponent's submission that the remainder of the goods are all of the nature that would be sold in the type of retail tourist shop with which the Opponent has shown evidence of use. Furthermore, the parties' channels of trade are identical – with both parties engaged in the tourist trade in the BC Ferries terminals.

[52] Based on the foregoing, I find that the Applicant has not satisfied its onus of establishing no likelihood of confusion as between the Mark and the Opponent's TASTE OF BC trade-mark and trade-name and as a result this ground of opposition is successful.

Remaining Grounds

[53] As I have already refused the application for the Mark on two grounds of opposition, it is not necessary for me to consider the remaining grounds of opposition.

Disposition

[54] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application under section 38(8) of the Act.

Andrea Flewelling
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Hearing Date: 2015-08-28

Appearances

Kristi Zychowka For the Opponent

James Wagner For the Applicant

Agents of Record

Lamarche & Lang For the Opponent

Magellan Law Group LLP For the Applicant