



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

**Citation: 2016 TMOB 89**  
**Date of Decision: 2016-05-30**

**IN THE MATTER OF AN OPPOSITION**

**Imperial Tobacco Canada Limited**

**Opponent**

**and**

**Robbie Dickson**

**Applicant**

**1,612,605 for DIVA & Design**

**Application**

Introduction

[1] Imperial Tobacco Canada Limited (the Opponent) opposes registration of the trade-mark DIVA & Design (the Mark), shown below, that is the subject of application No. 1,612,605 by Robbie Dickson (the Applicant).



[2] Filed on February 4, 2013, the application, as amended on July 17, 2014, is based on use of the Mark in Canada since at least as early as 2010 in association with the following goods:

Cigarettes, raw or manufactured; tobacco products, namely cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco; tobacco substitutes (not for medical purposes); smokers' articles, namely

cigarettes paper and tubes, cigarette filters, tobacco tins, cigarette cases and ashtrays, pipes, pocket cigarette rollers, lighters; matches; men's and women's clothing: jackets, shirts, jogging suits, hats, caps, T-shirts, sweatshirts; key chains, pens, umbrellas, sport bags, golf towels.

[3] Generally speaking, the grounds of opposition are premised on allegations that the Applicant has not used continuously the Mark in association with the goods listed in the application since the claimed date of first use, and the Applicant could not have been satisfied that he was entitled to use the Mark in Canada.

[4] For the reasons discussed below, I find that the application ought to be refused in part.

#### The Record

[5] The Opponent filed its statement of opposition on April 22, 2014. The grounds of opposition raised under section 38(2)(a) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) allege that:

- the application does not comply with section 30(b) of the Act, since the Applicant has not continuously used the Mark in Canada in association with the goods listed in the application since the claimed date of 2010; and
- the application does not comply with section 30(i) of the Act since the Applicant could not have been satisfied that he was entitled to use the Mark in association with the goods listed in the application, because such use would be unlawful. In particular, the Applicant's manufacture, distribution, and/or sale of products bearing the Mark is, and was at all material times, in violation of the *Excise Act, 2001* and the *Tobacco Act*.

[6] The Applicant filed and served his counter statement on May 30, 2014.

[7] In support of its opposition, the Opponent filed the affidavit of Michael S. Duchesneau, a law clerk employed by the Opponent's trade-marks agent. In support of his application, the Applicant filed his own affidavit. Neither affiant was cross-examined.

[8] Each party filed a written argument and was represented at a hearing. The hearing was held jointly with hearings for co-pending opposition proceedings concerning three other trademark applications owned by the Applicant. Separate decisions will be issued for these other proceedings, which pertain to application Nos. 1,612,512 (WOLF PACK & Design), 1,612,513 (DEERFIELD & Design), and 1,612,610 (RAINBOW TOBACCO CO. Design).

[9] Finally, it should be noted that on April 6, 2016, on the eve of the hearing, the Registrar received a letter from the Applicant enclosing his list of case law for the hearing. I was unaware of the Applicant's letter at the time of the hearing, as was the Opponent [see Opponent's letter dated April 12, 2016]. Also, the Applicant did not reference his letter at the hearing, even after I pointed out that no list of case law had been received from the Applicant for the hearing. The Applicant merely indicated relying on the cases cited in his written argument.

[10] It appears that the cases listed in the Applicant's letter of April 6, 2016 are those cited in his written argument. However, a printout of a document from the *Registraire des Entreprises* was also enclosed with the Applicant's letter, although not discussed by the Applicant at the hearing. If the Applicant wished for this document to be part of the record, he should have requested leave to file further evidence pursuant to section 44(1) of the *Trade-marks Regulations*, SOR/96-195. The Applicant did not do so. In the end, I disregard the document from the *Registraire des Entreprises*.

#### The Parties' Respective Burden or Onus

[11] The legal onus is on the Applicant to show that the application does not contravene the provisions of the Act as alleged in the statement of opposition. This means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the Applicant. However, there is also an evidential burden on the Opponent to prove the facts inherent to its pleadings. The presence of an evidential burden on the Opponent means that in order for a ground of opposition to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); *Dion Neckwear Ltd v Christian Dior, SA et al*, 2002 FCA 29, 20 CPR (4th) 155; and *Wrangler Apparel Corp v The Timberland Company*, 2005 FC 722, 41 CPR (4th) 223].

## The Parties' Evidence

[12] I provide below an overview of the evidence filed by the parties, some of which I will discuss in more detail in the analysis of the grounds of opposition, where appropriate.

### The Opponent's Evidence

[13] Mr. Duchesneau files as Exhibits "C" to "E" to his affidavit documents that he obtained from the Federal Court of Canada Registry for Court File No. T-160-12 [paras 2-4 of the affidavit]. Exhibits "A" and "B" to the affidavit are copies of emails from the Federal Court attaching the documents requested by Mr. Duchesneau.

[14] It appears that the documents relate to an Application brought by Rainbow Tobacco G.P. (Rainbow Tobacco) for judicial review of a decision of the Canada Revenue Agency (CRA), dated December 15, 2011, refusing to renew the tobacco license issued to Rainbow Tobacco pursuant to the *Excise Act, 2001*. These documents consist of copies of:

- Notice of Application, filed on January 16, 2012, by Rainbow Tobacco [Exhibit "C"];
- Detailed Affidavit of Robbie Dickson (that is the Applicant), affirmed on March 1, 2012, filed on behalf of Rainbow Tobacco (the Detailed Affidavit) [Exhibit "D"]; and
- Notice of Discontinuance, filed on November 5, 2013, by Rainbow Tobacco [Exhibit "E"].

[15] Mr. Duchesneau also files a printout of a news article of March 13, 2013 entitled *RCMP pressured Canada Revenue Agency to not license Mohawk tobacco firms: court docs*. This article was apparently obtained from the website *www.aptn.ca* accessed by Mr. Duchesneau on September 23, 2014 [para 5 of the affidavit, Exhibit "F"].

[16] Finally, Mr. Duchesneau files printouts of certain sections of the *Excise Act, 2001*, SC 2002, c 22 (the *Excise Act, 2001*) and *Tobacco Act*, SC 1997, c 13 (the *Tobacco Act*), which

he obtained from the Canadian Department of Justice website [para 6 of the affidavit, Exhibits “G” and “H”].

### The Applicant’s Evidence

[17] In reviewing the Applicant’s own affidavit, I disregard any assertions that amount to opinions on questions of fact and law to be determined by the Registrar. I also disregard statements contained in the affidavit that are essentially arguments on the merit of the opposition; however, these statements will ultimately be addressed in my decision because they have been reiterated through the Applicant’s written and oral arguments.

[18] I reproduce below paragraph 3 of the affidavit, which contains the Applicant’s statement concerning his continuous use of the Mark in Canada.

3. I have been continuously using the [Mark] in Canada in association with each of the general classes of [goods] described in the application since the stated date of first use;

[19] The Applicant states that at the time of the application, he was satisfied that he was entitled to use the Mark in Canada in association with the goods described in his application and he remains so satisfied at the date of his affidavit [para 5 of the affidavit].

[20] The Applicant files copies of documents that he obtained from the CRA website concerning a settlement agreement concluded in 2008 between the federal and certain provincial governments and the Opponent [para 10 of the affidavit, Exhibits “A” to “C”]. The Applicant states that the agreement “was concluded in order to resolve all potential civil claims [the federal and certain provincial governments] may have in relation to the [Opponent’s] role in the movement of contraband tobacco in the early 1990s” [para 11 of the affidavit].

[21] Finally, the Applicant files printouts of certain sections of the *Excise Act, 2001* and *Tobacco Act*, which he obtained from the Canadian Department of Justice website [para 12 of the affidavit, Exhibits “D” and “E”].

### Preliminary Remarks

[22] Before analyzing the grounds of opposition, I shall make preliminary remarks to first address the Applicant's submissions that the Opponent can neither challenge the Applicant's use of the Mark, nor object to the registration of the Mark by the Applicant.

[23] Afterwards, I will point out general representations of the Opponent concerning the "non-renewal of Rainbow Tobacco's tobacco licence" and the provisions of the *Excise Act, 2001* so as to facilitate the analysis of the grounds of opposition. I will conclude my preliminary remarks by addressing the parties' representations with respect to the cross-examination, or lack thereof, of the Applicant.

### Authority and Standing of the Opponent

[24] The Applicant contends that the Opponent has no "legal authority" to challenge his use of the Mark because "it is solely Her Majesty that is responsible for the application of the *Excise Act, 2001* and the *Tobacco Act* and their enforcement".

[25] As I indicated at the hearing, the Applicant's *right to use* the Mark in Canada is not the issue under consideration in the present proceeding. Rather, the ultimate issue to be decided by the Registrar is the Applicant's *right to register* the Mark in association with the goods listed in the application. In other words, the issues surrounding the use of the Mark in Canada are considered as part of the assessment of whether the application contravenes the provisions of sections 30(b) and 30(i) of the Act, as pleaded by the Opponent.

[26] I now turn to the Applicant's two-pronged submissions concerning the Opponent's lack of standing to object to the registration of the Mark.

[27] First, the Applicant submits that the Opponent "was itself involved in illegal and unlawful activities" related to tobacco products (relying on Exhibits "A" to "C" to his affidavit). To address this argument, it suffices to say that the Opponent's activities are not germane to the pleaded grounds of opposition. Thus, I will not further discuss the Applicant's submissions concerning the settlement agreement concluded in 2008 and Exhibits "A" to "C" to the Applicant's affidavit relating thereto.

[28] Second, the Applicant submits that the *Excise Act, 2001* and the *Tobacco Act* do not prohibit the registration of trade-marks. Only the Registrar has the authority to object to the registration of a trade-mark pursuant to the Act. Thus, the Applicant submits that there is no legal basis in this case for the Opponent to oppose registration of the Mark.

[29] The Registrar's authority with respect to the registration process, which includes opposition proceedings, must evidently be exercised within the limits of the Registrar's jurisdiction established by the Act.

[30] Under the scheme of the Act, *any person* having valid grounds may oppose the registration of a trade-mark once the trade-mark has been advertised in the *Trade-marks Journal*. The mechanism adopted by Parliament to prevent abuses through opposition proceedings that are without merit is set out at section 38(4) of the Act. Pursuant to this section, if the Registrar considers that a statement of opposition does not raise a substantial issue for decision, the Registrar shall reject it. In the present case, by forwarding a copy of the statement of opposition to the Applicant, the Registrar considered that there was at least one ground of opposition that, on its face, appeared to raise a substantial issue for decision [section 38(5) of the Act].

#### Non-Renewal of Rainbow Tobacco's Tobacco Licence

[31] To begin with, I note that there are no reasons to doubt that Exhibits "C" to "E" to the Duchesneau affidavit are copies of documents from the Federal Court File No. T-160-12. Further, the Applicant does not challenge the provenance of such documents and does not deny that he signed the Detailed Affidavit as one of Rainbow Tobacco's partners.

[32] To point out general representations of the Opponent as to what is established by these documents, I chose to reproduce below excerpts of its written argument:

16. Rainbow Tobacco is a general partnership in the business of manufacturing and distributing finished tobacco products. The Applicant is one of multiple partners operating Rainbow Tobacco.

Duchesneau Affidavit, ex "C"- "D"

17. On July 12, 2014, the predecessor to the CRA issued a tobacco licence to Rainbow Tobacco pursuant to section 14(1)(d) of the *Excise Act, 2001* and the

regulations related thereto. This licence appears to have been annually renewed by the CRA until 2011.

Duchesneau Affidavit, ex “C”-“D”

18. On December 15, 2011, a representative of the CRA wrote to Rainbow Tobacco advising that its tobacco licence would not be renewed for the period commencing on January 1, 2012. Rainbow Tobacco initially contested this decision by corresponding with the CRA and bringing an application for judicial review of its decision in the Federal Court. However, on November 5, 2013, before the matter was adjudicated, Rainbow Tobacco wholly discontinued its application for judicial review and the CRA accepted this discontinuance.

Duchesneau Affidavit, ex “C”-“E”

[33] I note that the Applicant does not dispute these submissions of the Opponent. However, the Applicant disputes the Opponent’s contention that the documents are relevant as evidence in the present proceeding. I will discuss further the parties’ submissions when analysing the grounds of opposition.

The Excise Act, 2001

[34] To point out general representations of the Opponent concerning tobacco licences under the *Excise Act, 2001*, I chose once again to reproduce below excerpts of its written argument:

14. A person is prohibited by law from manufacturing or selling tobacco products in Canada unless authorized to do so by the Minister of National Revenue (the “Minister”) pursuant to the federal *Excise Act, 2001*. According to section 2 of [this Act], “‘tobacco product’ means manufactured tobacco, packaged raw leaf tobacco or cigars”. According to the same provision, “‘manufactured tobacco’ means every article, other than a cigar or packaged raw leaf tobacco, that is manufactured in whole or in part from raw leaf tobacco by any process”.

Duchesneau Affidavit, ex “G”

15. The only means by which a person can be authorized to manufacture tobacco products in Canada is by being issued a tobacco licence from the Minister pursuant to section 14(1)(d) of the *Excise Act, 2001*. More specifically, according to section 25(1) of that Act, “[n]o person shall, other than in accordance with a tobacco license issued to the person, manufacture a tobacco product”. According to section 29(a) of this Act, “[n]o person shall purchase or receive for sale a tobacco product... from a manufacturer the person knows, or ought to know, is not a tobacco licensee”. Consequently, these provisions



constitute an effective bar against the sale and distribution of tobacco products in Canada by persons without a tobacco licence.

Duchesneau Affidavit, ex “G”

[35] I note that the Applicant does not dispute the above-referenced submissions. Rather, the Applicant submits that the Opponent has not discharged its evidential burden in the present case. I will discuss further the Applicant’s submissions when analysing the grounds of opposition.

No Cross-examination of the Applicant

[36] At the hearing, the Applicant argued that absent cross-examination the statements contained in his affidavit, including but not limited to his statement concerning his continuous use of the Mark in Canada, must be taken at face value. In reply, the Opponent submitted that it was under no obligation to cross-examine the Applicant. Furthermore, the Opponent submitted that it elected not to cross-examine the Applicant because it considered that his statement did not constitute proper evidence of use of the Mark in Canada by the Applicant in association with the goods listed in the application, much less evidence of continuous use, as submitted in the Opponent’s written argument.

[37] I addressed analogous arguments in the opposition case *London Drugs Limited v Purepharm Inc*, 2006 CanLII 80360, 54 CPR (4th) 87 (TMOB) at 92, where I commented as follows:

The first issue relates to the Applicant’s submission that in the absence of cross-examination, the evidence introduced by Mr. Kalaria is uncontested and could not be discounted. While it is true that the Opponent elected to forgo cross-examination, it may be that the Opponent has decided not to challenge the statements contained in the affidavit on the basis that they did not constitute proper evidence for the purposes of these proceedings. In my opinion, the lack of cross-examination does not prevent me from assessing the value or weight of the evidence introduced by an affiant [see *H.D Michigan Inc. v. The MPH Group Inc.* (2004), 40 C.P.R. (4th) 425 and *GA Modefine S.A. v. Di Gio’ S.R.L.* (S.N. 896,027, April 26, 2006) where analogous arguments have been addressed by this Board].

[38] These comments are equally applicable to the present case.

### Analysis of the Grounds of Opposition

[39] The material date for assessing grounds of opposition alleging non-compliance with section 30 of the Act is the filing date of the application, namely February 4, 2013 in this case [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475].

#### Compliance with Section 30(b) of the Act

[40] For ease of reference, I reproduce the pleading as it reads in the statement of opposition:

Pursuant to paragraph 38(2)(a) of the *Trade-marks Act*, the application does not comply with paragraph 30(b), since the Applicant has not continuously used the subject trade-mark in Canada in association with the wares listed in the application since the claimed date of 2010.

[41] To begin, I note that the Applicant submitted in his written argument that the Opponent does not rely on any allegations of fact, contrary to section 38(3)(a) of the Act requiring that the grounds of opposition be set out in sufficient detail to enable the Applicant to reply thereto. However, no such assertion was set forth in the Applicant's counter statement, nor did the Applicant request an interlocutory ruling on the sufficiency of the pleading before filing his counter statement. Also, the Applicant did not raise the sufficiency of the pleading at the hearing. Rather, the Applicant argued that the Opponent has not met its evidential burden under the section 30(b) ground of opposition.

[42] In any event, I decline to find that the section 30(b) ground of opposition is contrary to section 38(3)(a) of the Act, as in my view there is no deficiency in the pleading. More particularly, based on a plain reading of the pleading, I am satisfied that the Applicant could understand that the ground of opposition was based on an allegation that the Mark had not been used continuously in Canada by the Applicant since at least as early as 2010 in association with the goods listed in the application. The present case can be contrasted with the decision in *Novopharm Limited v AstraZeneca AB*, 2002 FCA 387, 21 CPR (4th) 289 where the ground of opposition was pleaded very broadly and the Court directed that the sufficiency of the pleading be assessed in light of the evidence of record. As I am satisfied the Applicant knew the case he had to meet, there is no need to have regard to the evidence.

[43] To conclude on the pleading, I note that as part of its submissions the Opponent contends that its evidence establishing “unlawful use” of the Mark by Rainbow Tobacco supports the section 30(b) ground of opposition. As I will detail below the Opponent’s submissions concerning its evidence, at this juncture I am not making any findings on the value of this evidence. I only wish to stress that in my view the pleading of the ground of opposition cannot be read so broadly as to include an allegation that the application does not comply with section 30(b) of the Act because of unlawful use of the Mark, even if I was to have regard to the evidence. Indeed, given the circumstances of this case, I consider it reasonable to find that the sections of the *Excise Act, 2001* and *Tobacco Act* introduced into evidence by the Opponent would have been seen by the Applicant as relating at the utmost to the section 30(i) ground of opposition expressly alleging unlawful use of the Mark, not to the section 30(b) ground of opposition.

[44] The issue under section 30(b) of the Act is not whether the Applicant had abandoned the Mark as of February 4, 2013. The issue is whether the Applicant had continuously used the Mark in association with the applied-for goods in the normal course of trade in Canada since the alleged date of first use [see *Labatt Brewing Co v Benson & Hedges (Canada) Ltd* (1996), 67 CPR (3d) 258 (FCTD)].

[45] Because the application in this case does not state a precise date during the calendar year of 2010, the alleged date of first use is considered by the Registrar to be December 31, 2010 [see *Khan v Turban Brand Products Ltd* (1984), 1 CPR (3d) 388 (TMOB)].

[46] To the extent that the applicant has easier access to the facts, the initial burden incumbent on an opponent regarding a section 30(b) ground of opposition is lighter [see *Tune Masters v Mr P’s Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB)]. An opponent’s burden can be met by reliance on the applicant’s evidence [see *Molson Canada v Anheuser-Busch Inc*, 2003 FC 1287, 29 CPR (4th) 315; *Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd*, 2014 FC 323, 122 CPR (4th) 389 (*Corporativo de Marcas*)].

[47] However, the opponent may only successfully rely on the applicant’s evidence to meet its initial burden if the opponent shows that the applicant’s evidence puts into issue the claim set forth in the application [see *Corporativo de Marcas*, at paras 30-38]. Furthermore, while an

opponent is entitled to rely on the applicant's evidence to meet its evidential burden, the applicant is under no obligation to evidence its claimed date of first use if this date is not first put into issue by an opponent meeting its evidential burden.

[48] In the present case, the Opponent relies on both parties' evidence to meet its initial evidential burden under section 30(b) of the Act. Thus, the question becomes:

*Is the evidence of record sufficient to conclude that the Opponent has discharged its relatively light evidential burden under section 30(b) of the Act?*

[49] I will begin by detailing the Opponent's three-prong submissions based on its evidence with respect to the non-renewal of Rainbow Tobacco's tobacco licence [Duchesneau affidavit, Exhibits "C" to "E"].

[50] First, the Opponent submits that the Detailed Affidavit from the judicial review proceeding in the Federal Court indicates that it is Rainbow Tobacco, not the Applicant, that at one time held a tobacco licence pursuant to the *Excise Act, 2001* and thereunder may have manufactured and sold tobacco products. Thus, the Opponent submits that any use of the Mark that may have taken place in Canada would not have been by the Applicant himself, but by Rainbow Tobacco. Furthermore, the Opponent submits that absent evidence of a licensing agreement between the Applicant and Rainbow Tobacco, by which the Applicant maintained control over the character or quality of the goods, any use of the Mark by Rainbow Tobacco did not accrue to the Applicant pursuant to section 50(1) of the Act. The Opponent submits that the business relationship between the Applicant and Rainbow Tobacco is insufficient to establish such a licence, and even more so since the Applicant is not the sole individual operating Rainbow Tobacco, but is instead one of multiple partners.

[51] Second, in the event of a finding that use of the Mark by Rainbow Tobacco is deemed to accrue to the Applicant, the Opponent submits that the evidence establishes that the Applicant has not used the Mark continuously from 2010 (December 31<sup>st</sup>) to February 4, 2013. More particularly, the Opponent submits that the evidence establishes that Rainbow Tobacco has not held a tobacco licence since January 1, 2012. According to the Opponent, one must infer from this fact that one year prior to the application filing date, Rainbow Tobacco stopped

manufacturing and selling tobacco products so as not to contravene sections 25(1) and 29(a) of the *Excise Act, 2001*, and stopped using the Mark because such use would have expressly violated the *Excise Act, 2001*.

[52] Third, the Opponent submits that even if Rainbow Tobacco continued to manufacture, sell and/or distribute tobacco products in association with the Mark after it lost its tobacco licence on January 1, 2012, such use could not have been “use” within the meaning of section 4(1) of the Act because it would have been unlawful. More specifically, it would have been in furtherance of the unlawful manufacturing, sale and distribution of tobacco products to the public in express violation of sections 25(1) and 29(a) of the *Excise Act, 2001*. Citing *McCabe v Yamamoto & Co (America)* (1989), 23 CPR (3d) 498 (FCTD), the Opponent submits that it is trite law that use of a trade-mark must be lawful, that is, in accordance with the Act, other statutory laws and common law, and unlawful use of a trade-mark does not constitute “use” for the purposes of section 30(b) of the Act.

[53] As indicated before, the Applicant disputes the relevancy of the non-renewal of Rainbow Tobacco’s tobacco licence as evidence in the present proceeding. Specifically, at the hearing the Applicant submitted that the evidence relates to a *legal proceeding initiated in 2012 by Rainbow Tobacco* and therefore is “totally insufficient” to put into issue the *Applicant’s continuous use of the Mark since 2010*. Furthermore, the Applicant submitted that the Opponent has failed to provide any evidence contradicting the Applicant’s sworn statement that he has been continuously using the [Mark] in Canada in association with each of the general classes of [goods] described in the application since the stated date of first use” [Applicant affidavit, para 3].

[54] In considering the relevancy of the evidence, I am mindful of my decisions of today’s date pertaining to the oppositions to the Applicant’s application Nos. 1,612,512 (WOLF PACK & Design) and 1,612,513 (DEERFIELD & Design), where I did find merit to the Opponent’s contention as to the relevancy of the non-renewal of Rainbow Tobacco’s tobacco licence in the context of the section 30(b) ground of opposition in each of these cases.

[55] However, the present case is distinguishable from the WOLF PACK & Design and DEERFIELD & Design cases. Indeed, my finding in each of those cases was based on paragraph 6 of the Detailed Affidavit reading as follows [Duchesneau affidavit, Exhibit “D”]:

6. [Rainbow Tobacco] has registered trademarks in respect of its tobacco products, and *its brands Deerfield and Wolfpack* have become valuable and well-known within the native communities; (Emphasis added)

[56] There is no reference to a brand in the above paragraph that could be read as a reference to the Mark in the present case. Thus, I cannot find any merit to the Opponent’s contention as to the relevancy of the non-renewal of Rainbow Tobacco’s tobacco licence as evidence in the present proceeding.

[57] Accordingly, I am not satisfied that the Opponent’s evidence is sufficient to put into question the use of the Mark by the Applicant since the date of first use claimed in the application. This leads me to turn to the Opponent’s further reliance on the Applicant’s own affidavit to meet its evidential burden under section 30(b) of the Act.

[58] The Opponent submits that the Applicant has failed to provide any evidence indicating use of the Mark beyond the Applicant’s bald statement that he has been continuously using the Mark in Canada in association with each of the general classes of goods described in the application since the stated date of first use. Citing *Jamieson Laboratories Ltd v Jensen Laboratories*, 2013 TMOB 226 at paragraph 34, 118 CPR (4th) 247 (*Jamieson*), the Opponent submits that a mere allegation of use is insufficient for the purposes of demonstrating compliance with section 30(b) of the Act.

[59] It is trite law that a bald assertion of use is insufficient to evidence use of a trade-mark in Canada, within the meaning of section 4 of the Act. However, I disagree with the Opponent’s reliance on *Jamieson* to suggest that when facing a section 30(b) ground of opposition, an applicant must positively evidence use of its trade-mark since the claimed date of first use. Indeed, the Registrar in *Jamieson* came to the conclusion that the applicant had not met its burden under section 30(b) of the Act only after concluding that the opponent could rely upon the applicant’s evidence to meet its evidential burden because the cross-examination of the

applicant's affiant disclosed facts that were inconsistent with the date of first use claimed for each category of goods.

[60] In the end, I cannot speculate as to the reason why the Applicant elected not to file any documentary evidence or sample of use of the Mark in the present case. However, in the absence of any evidence by the Opponent suggesting that the Applicant has not used the Mark in Canada since at least as early as 2010 (December 31<sup>st</sup>) in association with the goods described in the application, the Applicant was under no obligation to positively evidence such use. As noted by the Registrar in *Masterfile Corporation v Mohib S Ebrahim*, 2011 TMOB 85 at paragraph 23: "In law, as in archaeology, the absence of evidence is not necessarily evidence of absence."

[61] In view of the above, I am not satisfied that the Opponent has discharged the light burden resting upon it to put into issue the Applicant's continuous use of the Mark in Canada as claimed in the application.

[62] Accordingly, the section 30(b) ground of opposition is dismissed.

#### Compliance with Section 30(i) of the Act

[63] Section 30(i) of the Act requires an applicant to include a statement in the application that the applicant is satisfied that it is entitled to use the trade-mark in Canada. Where an applicant has provided the required statement, the jurisprudence suggests that non-compliance with section 30(i) of the Act can be found only where there are exceptional circumstances that render the applicant's statement untrue such as evidence of bad faith or non-compliance with a federal statute [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155; and *Canada Post Corporation v Registrar of Trade-marks* (1991), 40 CPR (3d) 221 (FCTD)].

[64] In the present case, the Opponent alleges that the Applicant could not have been satisfied that he was entitled to use the Mark in association with the goods listed in the application because the Applicant's manufacture, distribution, and/or sale of products bearing the Mark would be in violation of the federal *Excise Act, 2001* and *Tobacco Act*.

[65] To discharge its initial evidential burden, the Opponent relies on certain sections of the *Excise Act, 2001* and of the *Tobacco Act* [Duchesneau affidavit, Exhibits "G" and "H"].

However, not all of the sections of those acts introduced into evidence by the Opponent need to be discussed. Therefore, for ease of reference, I reproduce the most relevant sections of the *Excise Act, 2001* at Schedule 1 to my decision. I also reproduce the most relevant sections of the *Tobacco Act* at Schedule 2 to my decision.

[66] I also note that although the pleading broadly references “the [goods] listed in the application”, at the hearing the Opponent specified that the ground of opposition applies only to tobacco products for which the manufacture, distribution, and/or sale by the Applicant in association with the Mark would be in violation of the *Excise Act, 2001* and *Tobacco Act*. Still, the Opponent remained vague about precisely which of the goods would be subject to the *Excise Act, 2001* and *Tobacco Act*.

[67] Accordingly, absent specificity in the pleading, I have considered the statement of goods in the application taking into account the definition of “tobacco product” in section 2 of the *Excise Act, 2001* as well as in section 2 of the *Tobacco Act*.

[68] Insofar as the provisions of the *Excise Act, 2001* are concerned, I conclude that they apply to the goods “cigarettes, raw or manufactured; tobacco products, namely cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco” listed in the application.

[69] I would add that I conclude that the provisions of the *Excise Act, 2001* do not apply to the goods “tobacco substitutes (not for medical purposes)” listed in the application after having checked the online *Canadian Oxford Dictionary* (2 ed.), where I found the following definitions for “substitute”:

1. [also *attributive*] a thing that is or may be used in place of another, often to serve the same function but with a slightly different effect.
  - an artificial substance used as an alternative to a natural substance: *salt substitute*.

[70] More particularly, since “substitute” is defined as *an artificial substance used as an alternative to a natural substance*, I find it may be reasonably concluded that “tobacco substitutes (not for medical purposes)” would not be articles manufactured in whole or in part from raw leaf tobacco and, therefore, such goods do not fall into the definition of “tobacco



product” under the *Excise Act, 2001*. I stress that I reach this conclusion solely for the purposes of the consideration of the section 30(i) ground of opposition in the present case.

[71] Insofar as the provisions of the *Tobacco Act* are concerned, I conclude that they apply to the goods “cigarettes, raw or manufactured; tobacco products, namely cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco” as well as to the goods “smokers’ articles, namely cigarettes paper and tubes, cigarettes filters” listed in the application. Finally, while I am uncertain if the provisions of the *Tobacco Act* apply to the goods “tobacco substitutes (not for medical purposes)”, it is unnecessary for me to decide if they do.

[72] Indeed, for the reasons that follow, I am not satisfied that the Opponent has made a *prima facie* case that the Applicant could not have been satisfied, as of February 4, 2013, that he was entitled to use the Mark in Canada in view of the provisions of the federal *Tobacco Act*.

[73] To better understand why I come to such a conclusion, I find it useful to first reproduce the following excerpts of the Opponent’s written argument:

77. The DIVA & Design trademark is misleading and deceptive insofar as it is a colourable imitation of the famous Louis Vuitton™ pattern, thereby suggesting some link or association therewith, contrary to section 20 of the *Tobacco Act*.

78. By the same token, the DIVA & Design trademark is designed to be very attractive to young persons, particularly teenage girls, as the trademark associates the goods described in the application, including tobacco products, with fashion, luxury and quality. As such, the use of the DIVA & Design trademark in advertising would be contrary to section 22 of the *Tobacco Act*.

[74] First and foremost, I note that the provisions of the *Tobacco Act* cited by the Opponent relate to the *promotion* of a tobacco product. In my view the issue of potential unlawful *promotion* of tobacco products under the *Tobacco Act* is not relevant to the consideration of whether an applicant could have been satisfied that it was entitled to *use* a the trade-mark in association with a tobacco product. It is trite law that use of a trade-mark in advertising generally does not constitute use in association with goods [*BMW Canada Inc v Nissan Canada Inc*, 2007 FCA 255, 60 CPR (4th) 181]. In other words, I am not convinced that the “promotion” of a

tobacco product is an issue to be dealt with by the Registrar when considering a section 30(i) ground of opposition.

[75] In any event, there is no evidence in the present case to support the Opponent's submissions based on sections 20 and 22 of the *Tobacco Act*.

[76] I now turn to the consideration of the Opponent's submissions in support of the part of the ground of opposition alleging that use of the Mark would be in violation of the *Excise Act, 2001*

[77] Since I concluded that the evidence concerning Rainbow Tobacco's tobacco licence is irrelevant in the circumstances of this case, I will not address the Opponent's submissions premised on the assumption that Rainbow Tobacco would have been using the Mark in Canada despite non-renewal of its tobacco licence as of January 1, 2012. Rather, I will address the Opponent's subsidiary submissions premised on the assumption that the Applicant himself would have been using the Mark.

[78] The Opponent submits that there is no evidence to suggest that the Applicant himself possessed a tobacco licence from the CRA at any time, including as of February 4, 2013. The Opponent considers that this suffices to meet its evidential burden under section 30(i) of the Act (citing *Interprovincial Lottery Corporation v Western Gaming Systems Inc*, 2002 CanLII 61461, 25 CPR (4th) 572 (TMOB); and *Interprovincial Lottery Corporation v Monetary Capital Corporation*, 2006 CanLII 80348, 51 CPR (4th) 447 (TMOB)).

[79] For his part, the Applicant submits that the Opponent has not discharged its evidential burden. In his written argument, the Applicant submitted: "In the absence of evidence to the contrary, it is reasonable to assume that the Applicant will comply with the provisions of any relevant statutes and regulations of any federal law;" (citing *Star Island Entertainment, LLC v Provent Holdings Ltd*, 2015 TMOB 24, 132 CPR (4th) 210; *Ontario Lottery Corporation v Arkay Marketing Associates Inc*, 1993 CanLII 8108 (TMOB); and *Cadbury Confectionery Canada Inc (Cadbury Trebor Allan Inc) v Cannabis Crunch*, 2002 CanLII 61505 (TMOB)). These submissions were reiterated by the Applicant at the hearing.

[80] It is trite law that each case must be decided based upon its own merit. In my view, it would not be appropriate to draw parallels between the present case and the cases cited by the Applicant because in each of those cases the application was based upon proposed use of the trade-mark.

[81] In the present case, the Opponent's evidence establishes that a person who does not possess a tobacco license is prohibited from manufacturing or selling tobacco products in Canada.

[82] The Mark has been applied for registration based upon its use in Canada since 2010. Presumably, when the Applicant filed the application on February 4, 2013, he should already have been in possession of a licence under which he could legally sell tobacco products in Canada. Thus, it should have been a fairly simple and straightforward matter for the Applicant to provide evidence that he had been granted a licence to sell tobacco products in Canada. Yet, the Applicant did not evidence that he had been granted such a license despite the Opponent having made out a *prima facie* case of potential contravention to the *Excise Act, 2001*.

[83] In view of the above, I find that the Applicant has failed to discharge his legal onus to establish, on a balance of probabilities, that he could have been satisfied, as of February 4, 2013, that he was entitled to use the Mark in Canada in association with “cigarettes, raw or manufactured; tobacco products, namely cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco”.

[84] Accordingly, the section 30(i) ground of opposition succeeds to the extent that it alleges that the use of the Mark would be in violation of the *Excise Act, 2001*, and only with respect to the following goods:

Cigarettes, raw or manufactured; tobacco products, namely cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco [...]

## Disposition

[85] In view of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse application No. 1,612,605 under section 38(8) of the Act for the following goods:

Cigarettes, raw or manufactured; tobacco products, namely cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco [...]

[86] However, I reject the opposition under section 38(8) of the Act for the following goods:

[...] tobacco substitutes (not for medical purposes); smokers' articles, namely cigarettes paper and tubes, cigarette filters, tobacco tins, cigarette cases and ashtrays, pipes, pocket cigarette rollers, lighters; matches; men's and women's clothing: jackets, shirts, jogging suits, hats, caps, T-shirts, sweatshirts; key chains, pens, umbrellas, sport bags, golf towels.

[See *Produits Menager Coronet Inc v Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 CPR (3d) 492 (FCTD) as authority for a split decision.]

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Céline Tremblay  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office

## Schedule 1

### Provisions of the Excise Act, 2001, SC 2002, c 22

**2** The definitions in this section apply in this Act.

[...]

“manufactured tobacco” means every article, other than a cigar or packaged raw leaf tobacco, that is manufactured in whole or in part from raw leaf tobacco by any process.

[...]

“tobacco product” means manufactured tobacco, packaged raw leaf tobacco or cigars.

[...]

“raw leaf tobacco” means unmanufactured tobacco or the leaves and stems of the tobacco plant

\*\*\*

**14 (1)** Subject to the regulations, on application, the Minister may issue to a person

[...]

(d) a tobacco licence, authorizing the person to manufacture tobacco products; or

[...]

\*\*\*

**25 (1)** No person shall, other than in accordance with a tobacco licence issued to the person, manufacture a tobacco product.

\*\*\*

**25.1 (1)** On application in the prescribed form and manner, the Minister may issue, to a tobacco licensee or a prescribed person who is importing tobacco products, stamps the purpose of which is to indicate that duty, other than special duty, has been paid on a tobacco product.

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**27** No person shall package or stamp any raw leaf tobacco or tobacco product unless the person

(a) is a tobacco licensee; or

(b) is the importer or owner of the tobacco or product and it has been placed in a sufferance warehouse for the purpose of being stamped.

\*\*\*

**29** No person shall purchase or receive for sale a tobacco product

(a) from a manufacturer who the person knows, or ought to know, is not a tobacco licensee;

[...]

## Schedule 2

### Provisions of the Tobacco Act, SC 1997, c 13

**2** The definitions in this section apply in this Act.

[...]

“tobacco product” means a product composed in whole or in part of tobacco, including tobacco leaves and any extract of tobacco leaves. It includes cigarette papers, tubes and filters but does not include any food, drug or device that contains nicotine to which the *Food and Drugs Act* applies.

[...]

\*\*\*

**20** No person shall promote a tobacco product by any means, including by means of the packaging, that are false, misleading or deceptive or that are likely to create an erroneous impression about the characteristics, health effects or health hazards of the tobacco product or its emissions.

\*\*\*

**22 (1)** Subject to this section, no person shall promote a tobacco product by means of an advertisement that depicts, in whole or in part, a tobacco product, its package or a brand element of one or that evokes a tobacco product or a brand element.

**(2)** Subject to the regulations, a person may advertise a tobacco product by means of information advertising or brand-preference advertising that is in

(a) a publication that is provided by mail and addressed to an adult who is identified by name; or

(b) [Repealed, 2009, c. 27, s. 11]

(c) signs in a place where young persons are not permitted by law.

**(3)** Subsection (2) does not apply to lifestyle advertising or advertising that could be construed on reasonable grounds to be appealing to young persons.

[...]

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

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**HEARING DATE:** 2016-04-07

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