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Citation: 2019 TMOB 137

Date of Decision: 2019-12-16

IN THE MATTER OF AN OPPOSITION

**Simin Sepehr Sepahan (Esalat Food
Industries Co.) and Persia Food
Products Inc.**

Opponents

And

Nazo Products, Inc.

Applicant

1,768,335 for ESALAT

Application

INTRODUCTION

[1] On February 18, 2016, Nazo Products, Inc. (the Applicant) filed application No. 1,768,335 to register the trademark ESALAT (the Mark).

[2] The application is based on use of the Mark in Canada since at least as early as August 15, 2012, in association with the following goods (the Goods):

Canned fruits and vegetables; canned vegetables; dried vegetables; fruit jam; pickled vegetables; tomato paste

[3] The Application was advertised for opposition purposes in the *Trademarks Journal* on December 28, 2016.

[4] On May 29, 2017, Simin Sepehr Sepahan (Esalat Food Industries Co.) and Persia Food Products Inc. (collectively referred to as the Opponent) filed a statement of opposition against the application pursuant to section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). I note that the Act was amended on June 17, 2019. All references in this decision are to the Act as amended, with the exception of references to the grounds of opposition which refer to the Act as it read before it was amended (see section 70 of the Act which provides that section 38(2) of the Act as it read prior to June 17, 2019 applies to applications advertised prior to that date).

[5] On June 27, 2017, the Applicant filed a counter statement denying the grounds of opposition. On the same date the Applicant also requested an interlocutory ruling on the sufficiency of the pleadings. An interlocutory ruling striking the section 30(a) and 30(i) grounds of opposition issued on September 8, 2017.

[6] The remaining grounds of opposition are summarized below:

- The Application does not conform to the requirements of section 30(b) of the Act because the Applicant has not used the trademark ESALAT in Canada in association with the goods listed in the application since the claimed date of August 15, 2012.
- The Applicant is not the person entitled to registration of the Mark in Canada pursuant to section 16(1)(a) and (c) of the Act, as the Mark is confusing with the Opponent's trademark or tradename ESALAT which has been previously used in Canada by the Opponent or its predecessors-in-title in association with food products.
- The Mark is not distinctive within the meaning of section 2 of the Act, in that it does not actually distinguish nor is adapted to distinguish the goods in association with which it is allegedly used from the goods of the Opponent.

[7] Only the Opponent filed evidence, which is discussed below. Both parties filed a written argument. An oral hearing was held at which only the Opponent was represented.

EVIDENCE

[8] The Opponent's evidence is comprised of the affidavits of Rentaro Burress, and Parviz Behrouzi. Mr. Burress is an assistant at the Opponent's agent's firm. On November 27, 2017, he typed the words "Nazo products inc." into the Internet search engine Google at www.google.ca. Attached to his affidavit as Exhibit A are printouts of the captured images of the search results.

[9] Mr. Burress also followed the first search result to <https://muslimlink.ca/direcotory/london/food/food-products/483-nazo> and attached as Exhibit B to his affidavit printouts of the captured images that he obtained. Attached as Exhibit C to his affidavit are printouts of the Opponent's trademark application No. 1,824,972 for the trademark ESALAT filed February 27, 2018 by Simin Sepehr Sepahan (Esalat Food Industries Co.).

[10] Mr. Behrouzi is the President and Owner of Persia Food Products Inc. In his brief affidavit, Mr. Behrouzi states that Persia Food Products Inc. is a distributor of food products under the trademark ESALAT which are owned by Simin Sepehr Sepahan (Esalat Food Industries Co.). Attached to his affidavit as Exhibit A are what he states to be true digital pictures of products on the shelf in Canada marked with the trademark ESALAT which have been sold by Persia Food Products Inc. in Canada since at least as early as 2010 in the normal course of trade. Attached as Exhibit B to his affidavit are what he states to be catalogue sheets which contain a sample of the products sold by Persia Food Products Inc. in Canada since at least as early as 2010.

ONUS AND MATERIAL DATES

[11] The Applicant bears the legal onus of establishing, on a balance of probabilities, that the Application complies with the requirements of the Act. This means that if a determinate conclusion cannot be reached in favour of the Applicant after a consideration of all of the evidence, then the issue must be decided against the Applicant. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

[12] The material dates with respect to the grounds of opposition are as follows:

- Sections 38(2)(a)/30 of the Act - the filing date of the Application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- Sections 38(2)(c)/16(1) of the Act – the date of first use of the Applicant’s Mark; and
- Sections 38(2)(d) of the Act - the filing date of the opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185, 34 CPR (4th) 317 (FC)].

PRELIMINARY ISSUE

[13] In its request for an interlocutory ruling, the Applicant had also requested that paragraphs 8 – 10 of the statement of opposition be struck because the Applicant submitted that they were an attempt by the Opponent to introduce evidence in the statement of opposition itself. I agree that these paragraphs refer to evidence that is not of record. I will therefore not have regard to these paragraphs in rendering my decision.

GROUND OF OPPOSITION

Section 30(b) Ground of Opposition

[14] An opponent’s initial burden under section 30(b) is light [see *Tune Masters v Mr P’s Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB) at 89] and can be met by reference not only to the opponent’s evidence but also to the applicant’s evidence [see *Labatt Brewing Co v Molson Breweries, A Partnership* (1996), 68 CPR (3d) 216 (FCTD) at 230]. However, an opponent may only successfully rely upon 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 GJB, SA de CV v Bacardi & Company Ltd*, 2014 FC 323 at paras 30-38].

[15] In the present case, the application is based on the claim that the Applicant has used the Mark in Canada since at least as early as August 15, 2012.

[16] The Opponent submits that it has met its evidential burden by way of the Burress affidavit as follows. First, the Opponent maintains that the Google Internet searches and screen shots do not reference an ESALAT brand. The Opponent therefore submits that there is no indication that the Applicant sells ESALAT branded food products. Further, the Opponent argues that even though the exhibits indicate that the Applicant is in the business of direct importing and distributing, there is no indication that the Applicant imports or distributes ESALAT branded food products. Even if there was, the Opponent submits that the “direct importing and distributing” of ESALAT branded food products does not constitute trademark use as per section 4 of the Act.

[17] I do not find that the Opponent has met its burden under this ground for the following reasons. First, the Google search results and directory print outs attached as Exhibits A and B to Mr. Burress’ affidavit are not admissible since there is no evidence of the reliability of the Google search results or the third party directory [see *Envirodrive Inc v 836442 Alberta Ltd* 2005 ABQB 446, (Alta QB); *Institut National des Appellations d’Origine v Kohler Co* 2010 TMOB 162, (TMOB) at para 11]. Even if I could have regard to these exhibits, the Applicant has correctly noted that both searches were conducted on November 27, 2017, which does not speak at all to the claimed date of first use of the Mark.

[18] I will also add that this evidence, even if admissible and dated prior to the relevant date, would not have been sufficient on its own to lead to the inference that the Applicant has not used the Mark in Canada in association with various food products since the date claimed in the application. The Opponent’s allegation implies an unsubstantiated assumption that use of a trademark by an applicant necessarily will include reference to that applicant on the Internet. While this may be the case with respect to certain businesses, such as those that claim an online presence for services, I do not think the same can be said with respect to the food products in this case.

[19] The subject opposition can be distinguished from the cases relied upon by the Opponent in its written argument. As will be explained below, in each case evidence was adduced that raised doubts as to whether the applicant had used the applied-for mark since the date claimed.

[20] In *Saputo Cheese GP v Marrello*, 2009 CanLII 90406, the applicant had filed evidence to support its claim of use of its mark since November 1, 1978, in association with restaurant services. There was very little evidence submitted by the applicant, however, to corroborate the continuous use of the applied for mark in the normal course of trade from the claimed date of first use until the filing date of the application (March 12, 2003). In addition, the opponent's affiant could not find the applicant's business on the Internet. It was therefore the combination of the opponent's Internet search with the applicant's own lack of evidence of use that cast doubt on the applicant's claimed date of first use. This case can be distinguished from the present case where the only evidence presented is the evidence of the Opponent that it could not find the Applicant's brand on a limited search of the Internet after the relevant date.

[21] In *Heather Ruth McDowell v 2103214 Ontario Inc*, 2012 TMOB 227, the affiant had established the reliability of the FC Infomart Database. Further, the applied for services were the operation of an online retail store. The evidence from the Wayback machine suggesting that the applicant's website may not have been active until two months after the claimed date of first use was given some weight because the Member found that it seemed impossible for an online retail store to operate in the absence of an active website. This case can be distinguished from the present case because in this case the Applicant's applied for goods do not indicate an online presence and the Opponent's evidence was not found to be reliable or dated prior to the relevant date.

[22] The section 30(b) ground of opposition is therefore not successful.

Section 16(1)(a) and (c) Grounds of Opposition

[23] The Opponent's initial evidential burden under these grounds is to establish use or making known of the trademark or tradename ESALAT prior to the first use date set out in the application (August 15, 2012) as well as non-abandonment of this trademark or tradename at the date of advertisement of the Applicant's application (December 28, 2016).

[24] The Opponent relies primarily on the evidence set out in the Behrouzi affidavit, as described above, to meet its burden under this ground. The Applicant, however, makes the following objections regarding Mr. Behrouzi's evidence in its written submissions:

- Both the photographs in Exhibit A and the catalogue sheets in Exhibit B are undated;
- The affiant has not provided any details about the total number of sales either in quantity or in dollar amount;
- The affiant has not provided any details about its own normal course of trade other than to state that it is a distributor of food products;
- The affiant has not indicated to whom any of the products were sold to nor provided any invoices substantiating its alleged sales; and
- The catalogue sheets do not show products that would be compliant with Canada's packaging and labelling laws (i.e. there appears to be no French language translation of any of the words).

[25] In considering issue I note that the word "use" is a legal term defined in section 4 of the Act. The relevant definition of use for goods is set out in section 4 of the Act as follows:

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

[26] Although Mr. Behrouzi has demonstrated the way in which the Opponent's trademark is marked on various food products, he has failed to show use of the Opponent's trademark prior to the Applicant's date of first use and non-abandonment of the Opponent's trademark as of the date of advertisement of the Applicant's Mark. His allegation that products marked with the trademark ESALAT have been sold by Persia Food Products Inc. in Canada since at least as early as 2010 in the normal course of trade in my view is a mere unsubstantiated allegation [see *Plough Canada Ltd v Aerosol Fillers Inc* (1979), 45 CPR (2d) 194 (FCTD), and 53 CPR (2d) 62 (FCA)]. Other than stating that Persia Food Products Inc. is a distributor of food products sold under the trademark ESALAT which are owned by Simin Sepehr Sepahan (Esalat Food Industries Co.), and providing some pictures of "products on the shelf in Canada marked with the

trademark ESALAT”, the evidence fails to describe the Opponent’s normal course of trade and fails to show that there was a transfer or sale of any of the Opponent’s goods bearing the trademark prior to August 15, 2012. Mr. Behrouzi has produced no invoice or sales figures concerning any food products bearing the ESALAT trademark, and therefore there is nothing that would allow me to conclude that the Opponent’s mark was used prior to the Applicant’s claimed date of first use and not abandoned as of the date of advertisement of the Applicant’s Mark.

[27] The Opponent also relies on the copy of its applied for trademark application No. 1824972 for the mark ESALAT which includes a claim to use of the mark since at least as early as May 31, 2010, which is prior to the Applicant’s claimed date of first use. A trademark application for a mark based on prior use is not sufficient to establish use of mark pursuant to section 4(1) of the Act. Even if this mark had issued to registration prior to June 17, 2019, a registration dated prior to June 17, 2019, for a mark based on use would have only allowed me to assume de minimus use of the mark which would not have been sufficient to support a ground of opposition based on entitlement [see, for example, *Temple Lifestyle Inc v Sleeping Buddha Products Inc* 2018 TMOB 85].

[28] Since the Opponent has not discharged its initial burden to show prior use of the trademark and tradename upon which it relies in support of these grounds, it is unnecessary for me to assess whether or not there is a likelihood of confusion between the Applicant’s trademark and the Opponent’s trademark and/or tradename.

[29] In view of the foregoing, the section 16(1)(a) and (c) grounds are not successful.

Section 2 Ground of Opposition

[30] In order to meet its initial burden with respect to this ground, the Opponent must establish that its trademark was known to some extent at least in Canada as of the filing date of the statement of opposition, i.e. May 29, 2017, to negate the established significance of the Applicant’s Mark, and its reputation in Canada should be substantial, significant or sufficient, [see *Bojangles’ International LLC v Bojangles Café Ltd* (2006), 2006 FC 657 (CanLII), 48 CPR

(4th) 427 (FC); *Sadhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2019 FCA 10 and *Motel 6, Inc v No 6 Motel Ltd* (1981), 1981 CanLII 2834 (FC), 56 CPR (2d) 44 (FCTD)].

[31] How a mark should be known was recently discussed by the Federal Court as follows in *1648074 Ontario Inc v Akbar Brothers (Pvt) Ltd* 2019 FC 1305 at para.43:

“The point of the matter is not that advertising or articles in publications must be present. There are of course other ways of establishing knowledge of the trademark. It is rather that, in this case, there is no indication of some consumers’ knowledge or of any marketing effort, including advertising or direct evidence of consumer knowledge of the mark, let alone evidence of representation or public acclaim, as opposed to the evidence in the leading cases. Indeed, in the case at hand, there is not even an attestation about the distribution and sales of Akbar’s product.”

[32] In the present case, the brief affidavit of Mr. Behrouzi, as described above, does not show that the Opponent’s mark has become known to any extent in Canada. All that the Opponent’s evidence showed was that a distributor received products marked with the Opponent’s mark and has allegedly sold them in Canada since 2010 in the normal course of trade. The normal course of trade is not described. Further, there was no indication of some consumer knowledge of the Opponent’s goods sold in association with its mark or of any marketing effort, including advertising or articles in publications, or any information about the distribution or sales of the Opponent’s products.

[33] As a result, the non-distinctiveness ground based on the trademark is not successful due to the Opponent’s failure to meet its evidential burden.

DISPOSITION

[34] In view of the above, pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(12) of the Act.

Cindy R. Folz
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE 2019-12-02

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