



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2020 TMOB 134

Date of Decision: 2020-11-30

IN THE MATTER OF TWO OPPOSITIONS

Vermillion Networks Inc.

Opponent

and

Vermilion Energy Inc.

Applicant

1,755,434 for VERMILION

Applications

1,755,435 for VERMILION

INTRODUCTION

[1] Vermillion Networks Inc. (the Opponent) opposes registration of the trademark VERMILION (the Mark), which is the subject of application Nos. 1,755,434 and 1,755,435 by Vermilion Energy Inc. (the Applicant).

[2] The Mark is applied for in association with the following services:

Application No. 1,755,434 - Industrial asset management services, namely, the physical incorporation, namely, installation, and the integration and merger of assets of others in the area of conventional and unconventional oil and gas properties.

Application No. 1,755,435 - Oil and gas production and treatment services, namely, oil and gas well treatment, first stage processing of any raw hydrocarbon product, and treatment and processing of oil and gas through refining facilities, namely, oil batteries and natural gas processing plants and natural gas fractionation facilities.

[3] The applications were filed on November 18, 2015 on the basis of use in Canada since at least as early as 1994.

[4] Application No. 1,755,434 was advertised for opposition purposes on October 26, 2016 and the Opponent opposed the application on March 27, 2017 by filing a statement of opposition. Application No. 1,755,435 was advertised on November 2, 2016 and opposed on March 30, 2017.

[5] Numerous amendments to the *Trademarks Act*, RSC 1985, c T-13 (the Act) came into force on June 17, 2019. As the applications were advertised prior to this date, pursuant to section 70 of the Act, the grounds of opposition will be assessed based on the Act as it read immediately before June 17, 2019.

[6] The grounds of opposition were based on sections 30(a), 30(b), 30(i), 12(1)(a) and 2 of the Act. On June 6, 2017, the Applicant requested interlocutory rulings on the sufficiency of the pleadings in both cases. I note that the Registrar issued letters requesting comments from the Opponent on June 14, 2017; no comments were received.

[7] Substantively similar interlocutory rulings issued on October 2, 2017, striking in part the section 30(b) ground of opposition and striking in their entirety the sections 30(a), 30(i) and 2 grounds in each case. The Applicant then submitted its counter statements denying each of the grounds set out in the statements of opposition.

[8] In support of its oppositions, the Opponent filed substantively similar affidavits of Wade Ferguson, both affirmed February 20, 2018 in Calgary, Alberta (the Ferguson Affidavit).

[9] In support of its applications, the Applicant filed substantively similar affidavits of Najwa Khalil, both sworn June 13, 2018 in Calgary, Alberta (the Khalil Affidavit).

[10] Neither affiant was cross-examined.

[11] Both parties submitted written representations and attended an oral hearing.

[12] I would note that the parties appear to have some history, with both parties referring to previous section 45 expungement and opposition proceedings before the Registrar, as well as at least one pending proceeding in the jurisdiction of Alberta.

[13] Unfortunately, the proceedings at hand are somewhat atypical as a result of an apparent inadvertence on the part of Mr. Ferguson, the principal of the Opponent. As discussed at the hearing, Mr. Ferguson indicated that he had only become aware of the October 2, 2017 interlocutory rulings shortly before the hearing. He did recall receiving the June 14, 2017 requests for comments, but chose not to reply. Otherwise, it would appear that he proceeded with his somewhat lengthy affidavit and the Opponent's written representations on the assumption that all of the original grounds of opposition remained extant. This included several grounds and arguments focused on section 30(i) of the Act.

[14] At the hearing, I explained that the Registrar will only reconsider a ruling if that ruling was based on an error of law or on an error in the interpretation of the facts before the Registrar at the time that the ruling was made [*Magill v Taco Bell Corp* (1990), 31 CPR (3d) 221 (TMOB) at 226]. I confirmed that, in my view, the Registrar had made no such errors in the rulings, and that only the unstruck section 12(1)(a) and amended section 30(b) grounds remained extant.

[15] In any event, I further explained that proceeding otherwise would be highly prejudicial to the Applicant, who had properly prepared its evidence and representations on the basis of only the two remaining grounds of opposition in each case. As such, I indicated it would not be appropriate for me to comment on the merits of the struck grounds in this decision. Mr. Ferguson appeared to acknowledge the consequences of his inadvertence and the hearing proceeded only regarding the section 30(b) ground of opposition in both cases.

[16] In this respect, the Opponent withdrew the grounds of opposition based on section 12(1)(a) of the Act. Indeed, nothing in the evidence indicates that the Mark is primarily merely a surname. Accordingly, this ground of opposition is dismissed in both cases.

[17] As the Khalil Affidavit related only to the section 12(1)(a) grounds of opposition, it is not necessary to discuss it further.

[18] In the circumstances, I consider it appropriate to only address below those parts of the Ferguson Affidavit and the parties' representations that relate to the one remaining ground, as amended by the October 2, 2017 interlocutory ruling in each proceeding.

SECTION 30(B) GROUND OF OPPOSITION – CLAIMED DATE OF FIRST USE

[19] Against both applications, and as amended by the aforementioned interlocutory rulings, the opponent's amended pleading is as follows:

Pursuant to Section 38(2)(a) of the Act, the Application does not comply with Section 30(b), in that the Applicant has not used the Trademark as a trademark in association with the goods and services as applied for in the Application (the "Application Claims") in Canada, and further, an accurate date of first use has not been set out in the Application, and further the Applicant has not complied with Section 50 of the Act and further, if there has ever been a date on which the Applicant has used the Trademark as a trademark within the meaning of the Act (a "Doubtful Date") – doubtful because of the Applicant's past failures to back up its date claims – the Applicant and/or its licensee(s) have not used the Trademark continuously since that Doubtful Date.

[20] Essentially, the Opponent alleges that the claimed date of first use in the applications, "since at least as early as 1994", is not correct.

[21] At the hearing, the parties acknowledged that the Applicant was and continued to be in a position to amend its applications to either claim a later date of first use or to base its application(s) on proposed use (as described in the *Practice Notice on the Amendment and Deletion of Use, Proposed Use, and Use and Registration Abroad Claims*, published June 17, 2019). I note that, even under the original statements of opposition, entitlement did not appear to be at issue. While the Opponent expressed openness to withdrawing the oppositions if the applications were so amended, as of the date of this decision, no such amendments have been requested by the Applicant. Accordingly, and as indicated above, the provisions of the Act on compliance with section 30(b) as they read prior to June 17, 2019 and related jurisprudence apply.

[22] While the legal burden is upon an applicant to show that its application complies with section 30 of the Act, there is an initial evidential burden on an opponent to establish the facts it relies upon in support of its section 30 ground [see *Joseph E Seagram & Sons Ltd v Seagram*

Real Estate Ltd (1984), 3 CPR (3d) 325 at 329 (TMOB); and *John Labatt Ltd v Molson Companies Ltd*, 1990 CanLII 11059 (FC), 30 CPR (3d) 293]. With respect to section 30(b) of the Act in particular, to the extent that the relevant facts are more readily available to the applicant, the evidential burden on an opponent with respect to such a ground of opposition is not onerous [*Tune Master v Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB)]. While an opponent can meet its initial burden by reference to its own evidence, its burden can in some cases be met with reference to the applicant's evidence [*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], and an opponent can rely upon cross-examination of an applicant's affiant to meet the evidential burden upon it [see *Coca-Cola Ltd v Compagnie Francaise de Commerce International Cofci, SA* (1991), 35 CPR (3d) 406 (TMOB)]. However, it has been held that, in order to do so, the opponent must show that the evidence is "clearly inconsistent" with the claims set forth in the application [see *Ivy Lea Shirt Co v 1227624 Ontario Ltd* (1999), 2 CPR (4th) 562 (TMOB), aff'd 2001 FCT 252, 11 CPR (4th) 489 (FCTD)].

[23] If an opponent succeeds in discharging its initial evidential burden, the applicant must then, in response, substantiate its claim of use. However, 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 [see *Kingsley v Ironclad Games Corporation*, 2016 TMOB 19 at para 63].

[24] In this case, the Opponent's allegations in support of this ground are largely expressed from approximately page 22/paragraph 108 to page 93/paragraph 342 in its written representations. Given their nature, the Opponent's evidence and submissions overlap to some extent with the Opponent's allegations regarding its other grounds, in particular the now-struck 30(i) grounds.

[25] Nevertheless, and as discussed at the hearing, highlights of the Opponent's allegations in support of its position that it has met its initial burden are as follows:

- The applications are tactical in nature, "with questionable dates of first use", with a view to gaining 'higher ground' in future actions the Applicant may take against the Opponent [Ferguson affidavit at para 255];

- The Applicant has a history of applying for trademarks “with service descriptions that are somewhat unusual for the energy sector” [para 256];
- In previous proceedings, when the Applicant’s date claims have been challenged, it has a history of “not doing a good job of showing evidence to back up the dates it has claimed” for those applied-for or registered trademarks [para 256; also see paras 279 and 280];
- It is “suspect” that the Applicant is only now applying for trademarks it allegedly started using over 20 years ago “if it really had the rights it now claims to have” [para 257];
- The Opponent “has seen no compelling or unambiguous evidence ... to suggest common control was exercised over several entities that were displaying” the Mark [para 262];
- The Applicant’s receptionist appeared to be confused by Mr. Ferguson’s related queries during a phone call in February 2017 [para 264].

[26] At the hearing, the Applicant essentially submitted that the Opponent’s evidence and related submissions amount to a mixture of hearsay, opinion, conjecture, and irrelevance. Of note, the Applicant submitted the following:

- The mere absence or incompleteness of evidence relating to the Applicant’s use of the Mark or the date of first use claimed in its applications is, by itself, insufficient to meet the Opponent’s evidential burden [citing *Masterfile Corporation v Mohib S Ebrahim*, 2011 TMOB 85 at para 22];
- Mr. Ferguson’s statements and assertions regarding the Applicant’s business, the nature of the applied-for services and the significance of, *inter alia*, the aforementioned phone call are unsupported, self-serving and insufficient to meet its burden [citing *7666705 Canada Inc v 9301-7671 Quebec Inc*, 2015 TMOB 150 at para 38; and *Weetabix Limited v Alpina Productos Alimenticios SA*, 2011 TMOB 56 at para 37 for conclusions regarding similar statements and assertions];
- The issue of whether any relevant use of the Mark was unlicensed or otherwise did not comply with section 50 of the Act was addressed – in favour of the Applicant – by the

Registrar in *Vermilion Energy Inc v Vermillion Networks Inc*, 2017 TMOB 61 at para 54, where the parties were reversed.

- To the extent the Opponent is relying on alleged failures to provide evidence in previous proceedings before the Registrar, notwithstanding some *obiter* that the Opponent considers supportive of its position, the burdens and issues at play in those proceedings did not require the now-Applicant to produce such evidence (referring to the aforementioned 2017 opposition decision as well as the section 45 expungement proceeding involving the parties, *Vermillion Intellectual Property Corporation v Vermilion Energy Inc*, 2017 TMOB 24).

[27] Essentially, I agree with the Applicant's submissions, and find that none of the Opponent's allegations on their own satisfy the Opponent's burden, whether or not I consider any of Mr. Ferguson's evidence to constitute inadmissible hearsay. However, given the sheer volume of evidence, submissions and allegations by the Opponent, I do not necessarily find that the jurisprudence and principles relied upon by the Applicant are directly on point in this case. As argued by the Opponent, perhaps there is a synergistic effect from the combination of these "reasons" and or "considerations" [see Opponent's Written Representations at page 8].

[28] In essence, the question remains as to whether, instead of each consideration being treated in isolation, the whole should be taken as something greater than the sum of its parts. The present case appears to be unique, and neither party presented jurisprudence of sufficient guidance on this question. However, in the circumstances, I decline to take that novel approach. In my view, notwithstanding that the Opponent's burden is relatively light, the evidence in support of the Opponent's burden should have been clear and not dependent on what appears to be a web of conjecture, speculation and mere argument.

[29] Indeed, the fact that the Owner and/or its predecessor, Vermilion Resources Ltd., have been operating in the oil and gas industry since at least as early as 1994 with trade names featuring the term "Vermilion" is, at a minimum, not inconsistent with the claimed date of first use in association with the applied-for services. This is not a case where, for example, the entity or its predecessor did not appear to exist as of the claimed date of first use.

[30] In view of the foregoing, I am not satisfied that the Opponent has met its initial evidential burden with respect to this ground. Accordingly, the ground of opposition based on section 30(b) is dismissed in both cases.

DISPOSITION

[31] In view of all of the foregoing and pursuant to section 38 of the Act and the authority delegated to me under section 63 of the Act, I reject the oppositions.

Andrew Bene
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE: 2020-08-26

APPEARANCES

Wade Ferguson For the Opponent

Elizabeth Williams For the Applicant

AGENTS OF RECORD

No agent appointed For the Opponent

Norton Rose Fulbright Canada LLP/S.E.N.C.R.L., s.r.l. For the Applicant