



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 091

Date of Decision: 2023-05-30

IN THE MATTER OF AN OPPOSITION

Opponent: Zoe International Distributing Inc.

Applicant: Zeal Design Limited

Application: 1,926,298 for GREEN JAY

INTRODUCTION

[1] Zoe International Distributing Inc. (the Opponent) opposes registration of the trademark GREEN JAY (the Mark), which is the subject of application No. 1,926,928 (the Application) by Zeal Design Limited (the Applicant).

[2] The Application is in association with the following goods (the Goods) in Class 34 of the Nice classification:

- (1) Ashtrays; Cigar boxes; Cigarette-rolling machines; Cigarette rolling papers; Cigarette lighter holders; Electronic cigarette holders; Holder for a cigarette pack and lighter; Humidors; Matchboxes; Smokers' rolling trays; Smokers' storage vaults for cigars; Smokers' storage vaults for cigarettes; Smokers' storage vaults for tobacco; Smokers' storage vaults for herbs; Tobacco jars; Tobacco tins
- (2) Cigar cases; Cigar holders; Cigar lighters; Cigar tubes; cigarette cases; Cigarette holders; Cigarette tubes; Computerized cigarette lighters; Electronic cigarette lighters;

Holders for cigars and cigarettes; Lighters for smokers; Smoker's articles, namely, metal pocket-sized receptacles with lids for cigarette butts

(3) Tobacco grinders

[3] The Application claims use of Goods (2) in Canada since at least as early as October 2017, and proposed use of Goods (1) and (3). The Application also includes a claim of use and registration in the United States on Goods (2) and (3).

[4] The opposition is primarily based on an allegation that the Mark is confusing with the Opponent's prior use and registration of the trademark JAYS in association with goods including "tobacco and tobacco accessories, namely rolling papers".

[5] For the reasons that follow, the Application is refused as the Applicant has not met its burden to demonstrate that there is no reasonable likelihood of confusion between the parties' trademarks.

THE RECORD

[6] The Application was filed on October 19, 2018, and was advertised for opposition purposes in the *Trademarks Journal* of May 12, 2021.

[7] On July 12, 2021, the Opponent filed a statement of opposition under section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). The Opponent raises grounds of opposition based on registrability under section 12(1)(d), entitlement under section 16(1)(a), distinctiveness under section 2, and non-compliance with section 38(2)(f) of the Act.

[8] The Applicant filed a counter statement denying the grounds of opposition.

[9] In support of its opposition, the Opponent filed the affidavit of Demetra Georganas. No cross-examination was conducted.

[10] The Applicant elected not to file evidence. Only the Opponent filed written representations and no hearing was held.

[11] Before turning to the allegations advanced in the statement of opposition, I will discuss the Opponent's evidence, the evidential burden on the Opponent, and the legal onus on the Applicant.

THE OPPONENT'S EVIDENCE

[12] The Opponent's evidence is comprised of the affidavit of Demetra Georganas (sworn March 15, 2022), the Chief Executive Officer of the Opponent. Ms. Georganas provides information on the Opponent's business as well as its use and advertising of its JAYS Brand trademarks. Pertinent portions of the affidavit are set out below.

HBI Canada's business

[13] Ms. Georganas explains that the Opponent does business under the name "HBI Canada", and that as such, the records and documents of the Opponent display HBI Canada rather than Zoe International Distributing Inc (para 2). As a result, the terms "HBI Canada" and "Opponent" are used interchangeably in this summary.

[14] Ms. Georgana states that for over two decades, HBI Canada has been in the business of manufacturing and wholesale distribution of accessory products for the "roll your own" or "make your own" smoking markets with products such as rolling papers, hemp wraps, rolling tips, rolling machines, rolling trays, lighters, ashtrays, grinders, electronic smoking, storage, odor neutralizers, cleaners etc. (para 4).

[15] HBI Canada's marketing efforts have focused on bringing its brands to retailers of smoking accessory products with an emphasis on "head shops" – shops that specialize in equipment and accessories used for smoking. HBI Canada also targets more general retailers such as gas and convenience stores to carry its products (para 7). Since the legalization of cannabis in Canada in 2017, the specialty market carved out by HBI Canada has grown exponentially (para 8).

The JAYS Brand

[16] The Opponent owns a registration for the trademark JAYS (TMA664,612) in association with "tobacco and tobacco accessories, namely rolling papers, rolling

machines, cigarettes, cigars, cigarette tobacco, pipes” (para 9, Exhibit A). Ms. Georganas states that over the years, HBI Canada has used “various JAYS-formative trademarks” in association with accessory products for the cannabis and tobacco industry, including: JUICY JAYS (first used in 2002), JAVA JAYS (first used in 2003), GI JAYS (first used in 2001), COOL JAYS (first used in 2001), and JAYS ROLLS (first used in 2011) (para 10). In the Georganas affidavit, the JAYS registration and the previously noted JAYS-formative trademarks are collectively referenced as the “JAYS Brand” (para 11). For ease of reference, I have done the same in my summary of this evidence.

Use of JUICY JAYS constitutes use of the registered trademark JAYS

[17] Ms. Georganas states that JUICY JAYS is one of the most popular brands in HBI Canada’s portfolio (para 20). I note that JUICY JAYS typically appears on product labelling and packaging with the word JUICY in large coloured block letters and JAY’S in smaller and gradually decreasing black lettering, with both words superimposed on a droplet image. An ® symbol consistently appears after the word JUICY; in some instances (such as below), it also appears after JAY’S:



[18] I am of the view that this use of JUICY JAYS constitutes use of the registered trademark JAYS since the contrast in the sizing and color of JAYS allows it to remain recognizable. I make this finding even though the JAYS mark is smaller than the word JUICY and the droplet design [for similar conclusions where a word mark was found to stand out despite being smaller than the surrounding material, see *Epic Aviation, LLC v Imperial Oil Limited*, 2020 TMOB 103 at paras 17-25]. I also consider the inclusion of an apostrophe in JAY’S to be a minor variation of the trademark which allows it to remain

recognizable and maintain its identity [for a similar conclusion, see *Labrador II, Inc v Ren's Feed and Supplies Ltd*, 2016 TMOB 181 at para 32]. With respect to the inclusion of an ® symbol, I consider that the likely interpretation of this symbol after JUICY is that this particular word would be seen as a standalone trademark. To the extent that an ® symbol also appears after JAY'S, I am of the view that it would likely be interpreted by consumers as an indication that JAY'S is also a standalone mark. That said, I do not consider the placement of the ® symbol to be determinative of this issue.

Advertising and promotion of the JAYS Brand in Canada

[19] Ms. Georganas states that one of HBI Canada's main forms of marketing is its product catalogue, which is widely distributed multiple times per year to retailers across Canada. Retailers use these catalogues to learn about the various products available from HBI Canada and to place orders for specific brands, which they then sell in their stores or online. In 2002, hard copies of HBI Canada's catalogue were mailed to approximately 850 retailers across the country; by 2021, this number increased to approximately 2,350. All of the catalogues, which are often accompanied by additional brochures or marketing materials, advertise and promote accessory products used in association with the JAYS Brand by HBI Canada (para 13). Exhibits Ab-Azzn to the Georganas affidavit contain copies of catalogues distributed by HBI Canada from 2002 until 2021. I note that there is a discrepancy in the labelling of these exhibits as Ms. Georganas refers to them being contained in Exhibit B (which contains only part of the 2002 catalogue). As this simply appears to have been an inadvertent labelling error, I do not see that anything turns on this for the purpose of this proceeding.

[20] HBI participates in tradeshow directed at both industry members (retailers and other distributors) and consumers, and promotes and markets the JAYS Brand at all the tradeshow it attends. HBI Canada also promotes, advertises and sells various of its products, including the JAYS Brand products through its website at *hbicanada.com* (the Opponent's website), though Ms. Georganas notes that online access to pricing information and the newsletters posted on the website are restricted to those retailers holding a wholesale account. HBI Canada's yearly catalogue has been available to retail customers on the Opponent's website since 2001 (para 15).

[21] Ms. Georganas states that in 2020, the annual expenses associated with HBI Canada's marketing and promotional activities for its brands including the JAYS Brand, were approximately \$330,000. This amount covered the preparation and distribution of the catalogue, promotional items to retailers, participation in trade shows, salaries and benefits for two 'brand ambassadors' employed by HBI Canada to ensure retailers are well supported by HBI Canada in their businesses, and miscellaneous marketing costs (para 16).

Use of the JAYS Brand on product packaging and products

[22] Ms. Georganas states that HBI Canada has used the JAYS Brand on the product packaging and related materials to enable retailers and consumers to distinguish the JAY Brand products from other products, and that the JAYS Brand was, and still is, displayed prominently on products sold in Canada by HBI Canada (para 17). In support, Ms. Georganas refers to specific pages in HBI's catalogues from 2002 to 2021 showing products branded with the JAYS Brand. Ms. Georganas states that the pictures of products shown in the catalogues accurately portray the labelling, marking and/or packaging used for the respective products sold in Canada by HBI Canada. In particular, I note that pictures of packaging for rolling papers displaying the JUICY JAYS trademark (consistent with the depiction at paragraph 17 above) are provided for each year between 2005 and 2021 (para 18, Exhibits Ab-Azzn).

[23] Exhibit C is described as printouts from HBI Canada's website showing current JUICY JAYS rolling papers, incense sticks, pre-rolled cones and rolling trays. Ms. Georganas notes that in the case of the rolling papers, incense sticks and pre-rolled cones, the JAYS registered trademark is displayed on the display box containing the individually wrapped packs (which is displayed on shelves at brick-and-mortar retail shops) as well as the individually wrapped packs (which are individually sold by the retailers to consumers). Exhibit D is described as representative examples of the labelling and/or packaging used by HBI Canada for products sold in Canada including JUICY JAYS products (para 21). I note that the labelling and packaging displaying the JUICY JAYS trademark is consistent with the depiction at paragraph 17 above.

Sales of JAYS Brand products in Canada

[24] Ms. Georganas states that over the last two decades, HBI Canada has sold and distributed over 900,000 wholesale units of JAYS Brand products, which amounts to over 20 million retail packs distributed and available for consumption by consumers in the Canadian market. Ms. Georganas estimates that at an average sales price of \$20 per wholesale unit, this translates to roughly \$18 million in sales of the JAYS Brand products by HBI Canada in the Canadian marketplace since 1999 (para 24).

Products of the parties available for sale by the same retailers

[25] Ms. Georganas asserts that sellers of accessory products for the cannabis and tobacco industry are not only highly likely to sell the products of both the Applicant and HBI Canada, but have in fact done so (para 29). In support, Exhibits I to O include screenshots from websites of four third-party retailers displaying both the Opponent's JUICY JAYS rolling papers and various of the Applicant's GREEN JAY products, specifically pre-roll single carrier tubes and e-lighters.

[26] While excerpts of third-party websites are generally considered hearsay and cannot be considered evidence of the truth of their contents, I am prepared to give them some weight in showing that there is potential for overlap in the channels of trade, particularly in the absence of evidence from the Applicant.

LEGAL ONUS AND EVIDENTIAL BURDEN

[27] 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 [*John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

ANALYSIS OF THE GROUNDS OF OPPOSITION

Section 12(1)(d) ground of opposition

[28] The Opponent has pleaded that the Mark is not registrable because, contrary to section 12(1)(d), the Mark is confusing with the Opponent's registration No.

TMA664,612 for the trademark JAYS. The material date for this ground of opposition is the date of my decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 (FCA)].

[29] I have exercised my discretion to check the Register and confirm that this registration is extant as of the date of this decision. Accordingly, the Opponent has met its initial evidential burden under this ground. However, I note that the registration is the subject of a proceeding under section 45 of the Act. In the section 45 proceeding, by decision of the Registrar dated March 30, 2023, the Registrar concluded that the registration should be amended to include only the goods "tobacco and tobacco accessories, namely rolling papers" [*Wises Professional Corporation and ZOE International Distributing Inc.*, 2023 TMOB 60].

[30] The period to appeal the March 30, 2023 decision of the Registrar has not passed; therefore, the decision has not taken effect. Consequently, for the purpose of this opposition proceeding, I consider the Opponent's registration No. TMA664,612 as it currently stands in association with the full complement of goods, namely "Tobacco and tobacco accessories, namely rolling papers, rolling machines, cigarettes, cigars, cigarette tobacco, pipes", rather than the amended version set out in the Registrar's March 30, 2023 decision.

Test for confusion

[31] In determining whether two trademarks are confusing, all the surrounding circumstances should be considered, including those listed in section 6(5) of the Act: the inherent distinctiveness of the trademarks and the extent to which they have become known; the length of time the trademarks have been in use; the nature of the goods and services or business; the nature of the trade; and the degree of resemblance between the trademarks, including in appearance or sound or in the ideas suggested by

them. These criteria are not exhaustive and different weight will be given to each one in a context specific assessment [*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, [2006] 1 SCR 772 (SCC) at para 54; *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 49 CPR (4th) 401]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361 at para 49, where the Supreme Court of Canada states that section 6(5)(e), the resemblance between the marks, will often have the greatest effect on the confusion analysis.

[32] The test for confusion is assessed as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the applicant's mark, at a time when he or she has no more than an imperfect recollection of the opponent's trademark, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks [*Veuve Clicquot, supra*, at para 20]. Also, where it is likely the public will assume an applicant's goods or services are approved, licensed, or sponsored by the opponent so that a state of doubt and uncertainty exists in the minds of the purchasing public, it follows that the trademarks are confusing [see *Glen-Warren Productions Ltd v Gertex Hosiery Ltd* (1990), 29 CPR (3d) 7 (FCTD) at para 21].

Inherent distinctiveness of the trademarks and the extent to which they have become known

[33] Neither party submitted evidence or representations regarding the meaning of the words making up the trademarks in issue. However, the Registrar may take judicial notice of dictionary definitions [*Tradall SA v Devil's Martini Inc*, 2011 TMOB 65 (TMOB) at para 29] and I have done so in this case by consulting both the Merriam-Webster (at www.merriam-webster.com) and dictionary.com online dictionaries.

[34] Although the word JAY, as a noun, holds more than one meaning, to the extent that the parties' goods both generally cover smoking products or accessories, the most dominant meaning would be slang for "a marijuana cigarette". From my review of the Georganas affidavit, I understand that the Opponent's rolling papers could also be used to roll marijuana cigarettes. For instance, the Georganas affidavit refers to the

Opponent's sale and distribution of both cannabis and tobacco products in association with the JAYS Brand (paras 10, 12). Further, while not determinative (given hearsay issues), both the Opponent's JUICY JAYS flavoured rolling papers and the Applicant's product (GREEN JAY branded pre-roll carrier tube) are displayed on the Ontario Cannabis Store website (Exhibit I). Accordingly, the Opponent's mark is not inherently strong.

[35] With respect to the Applicant's Mark, its inherent distinctiveness is similarly limited. I do not consider the inclusion of the prefix GREEN to significantly affect the inherent distinctiveness of the Mark given the descriptive nature of this word. At best, the Applicant's Mark is only slightly more inherently distinctive than the Opponent's mark.

[36] The strength of a trademark may be increased by means of it becoming known through promotion or use. The Georganas affidavit indicates that the Opponent's trademark (as shown in paragraph 17) has been used continuously in association with rolling paper since 2005. While the Opponent has not provided actual samples of product packaging, it has nevertheless provided, through its product catalogues, representative examples of how the mark has appeared on the Opponent's rolling paper packaging each year since 2005. Further, while annual sales corresponding specifically to the JUICY JAYS products have not been provided, Ms. Georganas has cited sales of roughly \$18 million of JAYS branded products (which would include JUICY JAYS) over the past two decades. Marketing expenditures have also been cited in the Georganas affidavit, though they are not broken down to reflect specific JAYS brands or products. Considering the evidence in its entirety, I am prepared to find that the Opponent's trademark has become known, in association with rolling papers, to at least some minimal extent in Canada.

[37] With respect to the Mark, the Applicant has provided no evidence that it has become known to any extent in association with the Goods.

[38] Overall, given the greater acquired distinctiveness of the Opponent's trademark in Canada, I find this factor, which is a combination of inherent and acquired distinctiveness, slightly favours the Opponent.

The length of time the trademarks have been in use

[39] The inclusion of JUICY JAYS rolling papers in HBI Canada's annual catalogues (in the above noted format) since 2005 indicates that the Opponent's JAYS trademark has been used in association with rolling paper by the Opponent since at least that time. In contrast, the Applicant has filed no evidence that it has used the Mark in association with Goods (2) (the Application includes a claim of use since October 2017 for these goods) or commenced use of the Mark in association with Goods (1) and (3) (for which the Application claims proposed use).

[40] In *Pink Panther Beauty Corp v United Artists Corp*, 1998 CanLII 9052 (FCA), [1998] 3 FC 534 (FCA), the Federal Court of Appeal confirms that the length of time a trademark has been in use is a factor which must be given weight in assessing confusion:

The length of time that a mark has been used is obviously a factor which will contribute to confusion on behalf of the consumer in determining the origin of wares or services. A mark that has been in use a long time, versus one newly arrived on the scene, is presumed to have made a certain impression which must be given some weight. It is important to remember that "use" is a term defined by the Act and, therefore, has a special meaning.

[41] Accordingly, this factor favours the Opponent.

The nature of the goods, services or business; and the nature of the trade

[42] It is the Applicant's statement of goods as defined in the Application versus the statement of goods in the Opponent's registration (as of the date of my decision) that governs my determination of this factor.

[43] There is direct overlap with the Opponent's "tobacco and tobacco accessories, namely rolling papers and rolling machines" and the Applicant's "cigarette rolling papers" and "cigarette-rolling machines". There is also a connection between the

remaining Goods of the Applicant and the goods of the Opponent insofar as they are all smoking products or accessories.

[44] Given the overlap in the parties' goods, and in the absence of any evidence or argument to the contrary from the Applicant, I find there is potential for overlap in the parties' channels of trade. The excerpts of third-party websites displaying the products of both parties, though not determinative, also supports this finding. If I am wrong in including this website evidence in my analysis, I note that removing it from this analysis would not affect my finding on this factor, nor my overall conclusion on the likelihood of confusion.

[45] Accordingly, these factors favour the Opponent.

Degree of resemblance

[46] In considering the degree of resemblance, it is preferable to start by considering whether there is an aspect of the trademark that is particularly striking or unique [*Masterpiece, supra* at paragraph 64].

[47] The striking element of the Opponent's trademark, indeed its only element, is the word JAYS.

[48] With respect to the Applicant's Mark, I consider the striking element of the Mark to be the word JAY.

[49] I find there to be a fair degree of resemblance between the parties' marks. The Applicant's Mark effectively incorporates the entirety of the Opponent's mark (but for the letter S), and adds the word GREEN as a prefix. While in some circumstances the first component of a trademark will be considered the most significant, I am of the view that that would not be the case here because the word GREEN would likely be seen as holding descriptive significance, thus lessening its impact in the Mark. While there are some differences between the trademarks in appearance, sound and ideas suggested, when considered overall, the similarities outweigh the differences. Accordingly, this factor favours the Opponent.

Conclusion on the section 12(1)(d) ground

[50] In coming to my conclusion in this case, I would be remiss not to mention the decision in *San Miguel Brewing International Limited v Molson Canada 2005*, 2013 FC 156, reversing 2012 TMOB 65. In that decision, the Court overturned the finding of the Registrar (acting through Member Bradbury) that there was a reasonable likelihood of confusion between the trademark RED HORSE & Design and the trademark BLACK HORSE, both of which were essentially associated with “beer”. In doing so, the Court commented as follows [at para 40]:

The Board did not consider that what it was doing was, in effect, granting to Molson a trade-mark monopoly over the word HORSE of any colour (green, brown, blue, etc.) in relation to beer. The breadth of that monopoly is unreasonable...

[51] In *San Miguel*, the Court took into consideration the fact that the relevant consumer (i.e. the beer consumer) is sensitive to the names of beers and to what they know and like, and that the confusion test is premised on that consumer – not on what might be a legal fiction of the non-beer drinking life partner who is asked to pick up beer [para 33]. The Court also referred to the earlier decision in *Carling O’Keefe Breweries of Canada Ltd v Anheuser-Busch* (1982) 68 CPR (2d) 1 at 20-21 (FCTD), in which the Honourable Mr. Justice Walsh observed that regular beer drinkers will have considerable loyalty to their favourite brand. In *San Miguel*, the Court concluded that one look at the parties’ labels was sufficient to dispel any notion of confusion between RED HORSE (with just a horse’s head) and BLACK HORSE (with a horse in profile).

[52] Notably, in *San Miguel*, there was state of the register evidence, as well as marketplace evidence (provincial liquor store listings and sworn statements from an affiant) relating to “horse” marks, some of which consisted of a color or other descriptor in combination with the word “horse”.

[53] I am mindful of the Court’s comments in *San Miguel* and I acknowledge that consumers are owed a certain amount of credit for their intelligence or knowledge.

[54] However, having considered all of the surrounding circumstances, I find that the Applicant has not satisfied its legal burden to show that there is no reasonable likelihood of confusion between the parties' trademarks. I reach this conclusion particularly in view of the degree of resemblance between the parties' marks, the length of time the Opponent's trademark has been in use, the overlap or similarity in the parties' goods and the potential for overlap in the channels of trade. This is however a borderline case and its outcome was not assisted by the fact that the Applicant, who bears the legal onus in this proceeding, submitted no evidence or argument in support of its Application.

[55] Accordingly, the section 12(1)(d) ground of opposition is successful.

Section 16(1)(a) ground of opposition

[56] The Opponent has pleaded that the Applicant is not the person entitled to registration of the Mark since, at the date of filing of the Application, namely October 19, 2018, the Mark was confusing with the Opponent's previous use of the trademarks JAYS (in association with the Opponent's registered goods set out above) and JUICY JAYS in association with tobacco and tobacco accessories, namely rolling papers, rolling machines and cigars since at least as early as 2002.

[57] The Opponent has met its initial evidential burden through its evidence demonstrating use of its JAYS trademark, as discussed above, since prior to the material date for this ground of opposition [see section 16(1)(a) which sets out the material date is the filing date of the application or the date of first use of the trademark in Canada, whichever is earlier] .

[58] In my view, the earlier material date for this ground of opposition does not alter to any meaningful degree the confusion analysis for the section 12(1)(d) ground of opposition set out above. Accordingly, the Applicant has not met its legal burden to demonstrate no likelihood of confusion as of the material date for the non-entitlement ground, and the section 16(1)(a) ground of opposition is also successful.

Remaining grounds of opposition

[59] As the Opponent has already succeeded under two grounds of opposition, it is not necessary to address the remaining grounds of opposition.

DISPOSITION

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

Jennifer Galeano
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: No hearing held

AGENTS OF RECORD

For the Opponent: DLA PIPER (CANADA) LLP

For the Applicant: SMART & BIGGAR LP