

Federal Court



Cour fédérale

Date: 20180117

Docket: T-185-16

Citation: 2018 FC 42

Ottawa, Ontario, January 17, 2018

PRESENT: The Honourable Mr. Justice Southcott

BETWEEN:

SADHU SINGH HAMDARD TRUST

Applicant

and

NAVSUN HOLDINGS LTD.

Respondent

JUDGMENT AND REASONS

I. Overview

[1] This decision relates to an appeal under s 56(1) of the *Trade-marks Act*, RSC 1985, c T-13 [the Act], of a decision by a member of the Trade-marks Opposition Board [the Board] dated November 30, 2015 [the Decision], refusing the Applicant's application to register the trade-mark AJIT based on its use in association with printed publications and newspapers.

[2] For the reasons explained in greater detail below, this appeal is dismissed. I find that the Board correctly applied the applicable law, that the new evidence introduced in this appeal would not have materially affected the Board's decision, and that the decision is reasonable.

II. Background

[3] The Applicant, Sadhu Singh Hamdard Trust [the Trust], is a charitable trust established under the laws of India. It publishes a daily newspaper in India named "AJIT" and operates a corresponding website, both in the Punjabi language. The Respondent, Navsun Holdings Ltd. [Navsun], is a Canadian corporation. Navsun also publishes a newspaper bearing the name "AJIT" and operates a corresponding website, again both in Punjabi. The Navsun newspaper is published weekly and is distributed in Vancouver and the Greater Toronto Area. For the sake of clarity, the Trust's newspaper will be referred to as the "Ajit Daily" and Navsun's newspaper will be referred to as the "Ajit Weekly".

[4] "Ajit" is a Punjabi word meaning "invincible" or "unconquerable". The parties to this application have been engaged in intellectual property litigation surrounding their use of this word in a number of jurisdictions and for more than a decade. This includes an action by the Trust against Navsun for passing off and copyright infringement (see *Sadhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2016 FCA 69 rev'g 2014 FC 1139). Counsel advised at the hearing of this application that the claims in that action had recently been amended to include an action for trade-mark infringement, as a result of the Trust having successfully registered another trade-mark in Canada.

[5] At issue in this case is the Trust's trade-mark application #1487122, filed in 2010 to register the mark AJIT for use in association with printed publications and newspapers. This application was opposed by Navsun, which alleged, among other things, that the applied-for mark did not satisfy the requirement of distinctiveness. In the Decision that is the subject of this appeal, the Board agreed with this ground of opposition.

III. The Board's Decision

[6] The evidence before the Board consisted of an affidavit by Mr. Kanwar Bains, a director of Navsun, as well as the transcript of his cross-examination and related exhibits, and an affidavit by Mr. Narinder Pal Singh, the Circulation Manager of the Trust's newspaper in Jalandar, India.

[7] The Decision sets out the history of the Ajit Weekly and its publication in Canada, noting that it was first printed in 1993 and that, at the time of the Decision, Navsun was printing 11,000 copies per week through its Vancouver-based printer and 13,000 copies per week through its Toronto-based printer. The Board also referred to Navsun's publication of the Ajit Weekly online, through a website which was launched in 1998 and which received between 14,000 to 38,000 visits each month. Because the Trust's newspaper is a major Punjabi newspaper in India, the Board found that it was likely that Navsun had knowledge of that paper when it adopted the AJIT mark in Canada and that it was likely that Navsun's readers in Canada were, and continue to be, aware that a newspaper of the same name is published in India.

[8] The Board also reviewed the evidence of Narinder Pal Singh, including records appended to his affidavit, which the Trust relied upon to substantiate its claim that the applied-for mark had

been used in Canada since at least as early as 1968. This evidence established that the Trust's newspaper was delivered to Canadian addresses, although in small numbers. There were 4 subscriptions in Canada in the period from January to June 1968. In relation to later periods, the Board calculated that there were on average 29 annual subscribers for the period from 1990 to 1993, 13 for 1994 to 2001, and 6 for 2002 to 2010.

[9] Applying the date of filing of the opposition (December 28, 2012) as the material date as of which to assess distinctiveness, the Board found that as of that date Navsun's mark AJIT had acquired a significant reputation in Canada for the target population served by its newspaper. The Board also concluded that, based on the evidence that the Ajit Daily had only 6 subscribers from 2002 to 2010, the Trust's mark had at best a minimal reputation in Canada for the same target population as of the material date. Therefore, the Board found that Navsun's mark AJIT was sufficiently known to negate the distinctiveness of the applied-for mark as of the material date. The Board stated that, in other words, at the material date the target population reading the Canadian newspaper AJIT would identify a Canadian publisher as the source of the newspaper, rather than the Trust.

IV. Issues and Standard of Review

[10] Each of the parties has filed additional evidence in this appeal, as permitted by s 56(5) of the Act. The Trust's evidence consists of 21 affidavits sworn by witnesses of fact. Navsun has filed two affidavits. The first is a supplementary affidavit by Mr. Kunwar Bains, who had provided Navsun's evidence before the Board. The other is an expert affidavit sworn by Mr. Sukhwant Hundal. The submission of the additional evidence gives rise to some of the issues for

the Court's consideration in this appeal, including the selection of the standard of review to be applied in considering the Decision.

[11] The Applicant articulates the following issues for the Court's consideration:

- A. Whether the new evidence would have materially affected the Board's decision;
- B. Whether the Board erred in permitting Navsun to rely on its own deceptive use of the trade-mark;
- C. Whether the Board correctly applied the test for distinctiveness;
- D. Whether the fact that AJIT is a common first name among Punjabi males is relevant;
- E. Whether the affidavit of Sukhwant Hundal is admissible;
- F. Whether the Respondent may raise unpleaded grounds of opposition.

[12] The Respondent instead characterizes the issues as follows:

- A. Whether the Applicant is entitled to raise new issues on appeal about its electronic newspapers;
- B. The selection of the appropriate standard of review;

- C. Whether the Board's identification and application of the legal test and evidentiary standard was incorrect or unreasonable;
- D. Whether infringement is relevant to the distinctiveness of the Applicant's AJIT mark;
- E. Whether the Applicant's new evidence about foreign and internet use would have materially affected the Board's factual findings regarding the distinctiveness of the Applicant's AJIT mark in association with printed publications and newspapers in Canada;
- F. Whether the Board's factual finding that any distinctiveness of the Applicant's AJIT marks had been negated by the Respondent's reputation in Canada was reasonable.

[13] Having considered the parties' respective written and oral submissions, my conclusion is that the following list of issues represents an appropriate analytical framework within which to address the parties' arguments:

- A. Is either of the parties seeking to raise a new issue on appeal that was not pleaded before the Board?
- B. What is the appropriate standard of review?
- C. Did the Board apply an incorrect test for distinctiveness, or otherwise err in law, in assessing the distinctiveness of the Applicant's mark?

D. Applying the appropriate standard of review, taking into account the new evidence introduced on appeal, did the Board err in its findings regarding the distinctiveness of the Applicant's mark?

V. Analysis

A. *Is either of the parties seeking to raise a new issue on appeal that was not pleaded before the Board?*

[14] Each of the parties has taken the position that the other is seeking to raise a new issue on appeal that was not pleaded before the Board. In relation to the Trust's case, Navsun asserts that the Trust is raising a new issue under the guise of introducing new evidence in the appeal. The new affidavits filed by the Trust include evidence of the readership of its electronic newspaper, which the Trust wishes to rely upon to establish that its mark is distinctive of its printed newspapers in Canada. The Trust argues that, although its application for registration of its mark applied to "printed publications and newspapers," that language is broad enough to apply to its electronic newspaper.

[15] In making this argument, the Trust relies on the decision of the Ontario Court of Appeal in *John v Ballingall*, 2017 ONCA 579 [*John*], which interpreted the word "newspaper" to include the online version of a newspaper. At paragraphs 22 to 24 of that decision, the Ontario Court of Appeal relied on its earlier decision in *Weiss v Sawyer* (2002), 61 OR (3d) 526 [*Weiss*], in concluding that a newspaper does not cease to be newspaper when it is published online, as

applicable principles of statutory interpretation favour an effort to achieve the intent of the legislature in the context of advances in technology.

[16] I agree with Navsun's position that this argument seeks to raise a new issue that was not pleaded before the Board. The Trust has referred to nothing in the record to suggest that that this argument was raised before the Board. To the contrary, the record evidences an intention by the Trust not to seek registration of its mark in association with electronic publications. As reflected in the Decision, the Trust's original application filed on June 10, 2010, sought to register the mark AJIT in association with "printed and electronic publications, newspapers and magazines" and with the operation of a website. However, the application was subsequently amended to cover only "printed publications and newspapers." The amendment to remove the express references to electronic material and the operation of a website can only be interpreted as evidencing an intention by the Trust to restrict its application to use in association with printed material.

[17] Indeed, the particular argument advanced by the Trust, in reliance upon the jurisprudence from the Ontario Court of Appeal, did not appear even in the Applicant's Memorandum of Fact and Law filed in this appeal. It was first raised in the Trust's oral submissions before the Court, supported by case law provided to the Court on the day of the hearing.

[18] I also find this case law to provide little support for the Trust's position. Both *Weiss* and *John* were decided in a very different context, being the interpretation of the limitation period prescribed by s 5(1) of the *Libel and Slander Act*, RSO 1990, c L12, for actions for libel in a

newspaper. I would therefore consider this jurisprudence, and the principles of statutory interpretation upon which it relies, to be of little application to the question of the meaning of the word “newspapers” within the phrase “printed publications and newspapers” employed in the Trust’s amended trade-mark application. Again taking into account the amendments made to the trade-mark application as described above, I find that the application cannot be interpreted as intended to extend to the electronic version of the Trust’s newspaper.

[19] While s 56(5) of the Act entitles the Trust to introduce new evidence in this appeal, the Trust is not entitled to rely on that evidence to raise new issues that were not before the Board (see *Procter & Gamble Inc. v Colgate-Palmolive Canada Inc.*, 2010 FC 231 at para 26, and *Tiger Calcium Services Inc. v Compass Minerals Canada Corp.*, 2015 FC 1257 at para 44). In essence, the new argument that the Trust is now advancing before the Court represents an impermissible effort to expand the scope of the Trust’s application for registration of its mark.

[20] This conclusion is relevant to the question of the effect of the Trust’s new evidence, as to the readership of its electronic newspaper, upon the distinctiveness of the Trust’s mark as used in association with its printed newspapers in Canada. That question will be addressed later in these Reasons.

[21] The Trust likewise argues that Navsun is also attempting to raise new grounds of opposition in this appeal that were not pleaded before the Board. Navsun has filed new evidence concerning a Hindi newspaper called “Ajeet Patrika,” the prevalence of use of the word “Ajit” in business names in India, and the use of “Ajit” as a first name for male individuals. The Trust

submits that none of these circumstances were alleged in Navsun's statement of opposition before the Board. It contends that Navsun is attempting to assert, under the guise of a distinctiveness argument, that the Trust's mark contravenes s 12(1)(a) of the Act, which in certain circumstances precludes registration of an individual's name as a trade-mark.

[22] I agree with the Trust that the new evidence offered by Navsun should not be considered by the Court in deciding this appeal. Navsun's statement of opposition raised several grounds of opposition under s 38(2) of the Act. Navsun asserted under s 38(2)(a) that the Trust's application did not comply with certain requirements of s 30 of the Act and asserted under s 38(2)(c) that the Trust was not the person entitled to registration under s 16(1)(a) of the Act. The Board rejected those grounds of opposition and Navsun has not appealed those findings. Navsun also asserted under s 32(2)(d) that the Trust's mark is not distinctive within the meaning of s 2 of the Act. It raised that argument on two separate grounds. The first was that the Trust's mark does not actually distinguish the wares and services of the Trust from the wares and services of Navsun, by reason of Navsun's use of its own mark. The Board's acceptance of this ground of opposition is the sole basis for the present appeal by the Trust. The second ground of opposition raised by Navsun under s 32(2)(d) was that the Trust's mark does not actually distinguish its wares and services from those of others and is not adapted to distinguish them. The Board made no findings on this latter ground, and Navsun has not appealed this result. The new evidence filed by Navsun could have been relevant to this latter ground of opposition had it been the subject of this appeal. However, I do not consider it relevant to the distinctiveness of the Trust's mark by reason of Navsun's use of its own mark, which is, as noted above, the sole ground for this appeal.

[23] I note that the Trust also raises various other objections to the admission of Navsun's affidavit from its proposed expert witness, Mr. Sukhwant Hundal. Given my above conclusion on the relevance of Navsun's new evidence as a whole, it is not necessary for me to address these additional objections specifically directed at Mr. Hundal's affidavit.

B. *What is the appropriate standard of review?*

[24] The parties are agreed that the standard of review for a decision of the Board is usually reasonableness, but that this will give way to a standard of correctness where new evidence proffered on appeal would have materially affected the Board's decision (see *Molson Breweries v John Labatt Ltd*, [2000] 3 FCR 145 at para 51 (FCA)). For this to be the case, the fresh evidence must be relevant. For example, it must fill a gap, remedy deficiencies identified by the Board, substantially add to what has already been submitted, or enhance the probative value of the evidence already adduced (see *Kabushiki Kaisha Mitsukan Group Honsha v Sakura-Nakaya Alimentos Ltda.*, 2016 FC 20 at paras 18-19). A correctness standard of review then applies to findings of fact which are materially affected by the new evidence, while other findings of fact remain subject to the more deferential reasonableness standard (see *Eclectic Edge Inc. v Gildan Apparel (Canada) LP*, 2015 FC 1332 at paras 43-48).

[25] The parties also agree that, if the Court is being asked to consider an extricable or pure question of law arising from the Board's decision, then the standard of correctness applies to the Court's review of that question (see *Cyprus (Commerce and Industry) v Producteurs Laitiers du Canada*, 2010 FC 719 at para 29, *aff'd* 2011 FCA 201).

[26] I will apply these principles surrounding the standard of review to the substantive issues canvassed below.

C. Did the Board apply an incorrect test for distinctiveness, or otherwise err in law, in assessing the distinctiveness of the Applicant's mark?

[27] The Trust advances various arguments in support of its position that the Board erred in the test it applied, or otherwise in the analytical approach that it adopted, in addressing the question of whether Navsun's use of its mark had negated the distinctiveness of the Trust's mark. In its written and oral submissions, the Trust relies upon a number of authorities of this Court and the Federal Court of Appeal in support of its arguments. At the conclusion of his oral submissions, the Trust's counsel identified what he characterized as a list of policy questions, derived from the case law, which he submitted the Board was obliged to consider and the Court must now consider in this appeal. As the Trust's counsel did not, for the most part link, these policy questions individually to particular cases, I will consider the Trust's position by reference to the various authorities upon which it relies and the arguments it derives from those authorities. To the extent that these arguments raise what can be characterized as pure or extricable questions of law, I will examine them under the standard of correctness in this portion of these Reasons.

[28] The Trust argues that the Board applied the wrong test for considering whether Navsun's use of its mark had negated the distinctiveness of the Trust's mark. The Board relied on the following statement by Justice Noël in *Bojangles' International LLC v Bojangles Café Ltd.*, 2006 FC 657 [*Bojangles*] at para 34:

[34] A mark must be known to some extent at least to negate the established distinctiveness of another mark, and its reputation in Canada should be substantial, significant or sufficient. [...]

[29] The Trust submits that Justice Noël's statement simply reflects that evidence is needed to prove facts and that the Board erred by using it as a test for the determination of distinctiveness. In the Trust's submission, the applicable test is that prescribed by the Federal Court of Appeal in *Miranda Aluminum Inc. v Miranda Windows & Doors Inc.*, 2010 FCA 104 [*Miranda FCA*], that the challenger to the distinctiveness of another mark must have established in the minds of consumers that there was a competing source of the goods. The Trust refers to paragraph 29 of *Miranda FCA*, in which Justice Evans stated as follows:

[29] In light of the evidence indicating the father's abandonment of the use of the name, the breaks in the corporate chain, the absence of assignments of rights, the father's deceptive later use of the name, and the Judge's credibility finding, I am not satisfied that the Judge made a palpable and overriding error when she concluded that the father's use of the name Miranda had not destroyed its distinctiveness by establishing in the minds of consumers that there was a competing source for the aluminum products and associated services. Again, the appellant is asking the Court to step into the shoes of the Judge and reweigh the evidence. This is not the function of an appellate court.

[30] I disagree with the Trust's position that *Miranda FCA* prescribes a test for determining when the use of a mark by one party has destroyed the distinctiveness of the mark of another. Rather, the statement by the Federal Court of Appeal on which the Trust relies is a description of a factual finding of the trial judge with which the appellate court found no error. The relevant analysis in the trial decision is found at paras 38-42 of *Miranda Aluminum Inc. v Miranda Windows & Doors Inc.*, 2009 FC 669 [*Miranda FC*], in which Justice Simpson found that the

applicant's use of the name Miranda was not intended to present the applicant as a distinct company and concluded that the distinctiveness of the respondent's mark was not affected.

[31] I find no basis to conclude that *Miranda FCA* detracts from the law as stated in *Bojangles*, in which Justice Noël canvassed the jurisprudence surrounding the evidential standard that has to be satisfied in order to prove that a trademark is sufficiently known to negate another trademark's distinctiveness and described that standard in the manner quoted by the Board in the case at hand. I find no error of law in the Board's reliance on *Bojangles*.

[32] I also understand the Trust to be arguing that the Board was required to balance the competing interests of the parties, as well as the public interest, in determining whether registration of the Trust's mark should have been allowed. The Trust refers to the decision in *Aladdin Industries Inc. v Canadian Thermos Products Ltd.* (1969), 57 CPR 230 [*Aladdin*] at 275, in which the Exchequer Court of Canada described in this manner the analysis it conducted in deciding whether to expunge the respondent's trade-mark THERMOS. That case arose from the respondent's mark having become generic, as a result of which the applicant wished to use the name THERMOS in its own business. The Court concluded that expungement of the respondent's mark would involve a serious risk that an appreciable number of consumers might be confused if bottles from manufacturers other than the respondent were marked as THERMOS bottles. This risk outweighed the disadvantage to the applicant in not being able to use the mark in its business. *Aladdin* dealt with a fact pattern quite dissimilar from that of the case at hand, and I do not regard it as prescribing a test or analysis that the Board was required to apply in determining whether one mark has negated the distinctiveness of another.

[33] The Trust also relies upon the recent decision of the Federal Court of Appeal in the Trust's passing off action against Navsun, to support an argument that the Board erred by adopting an error of law on the part of the trial judge in that other case. After finding that Navsun had succeeded in its ground of opposition based on distinctiveness, the Board stated the following at paragraph 43 of the Decision, under the heading "Related Jurisprudence":

[43] In the recently decided Federal Court case *Sadhu Singh Hamdard Trust v. Navsun Holdings Ltd*, 2014 FC 1139, the plaintiff Sadhu (the applicant herein) accused Navsun Holdings (the opponent herein) of copyright infringement, passing off, and making false statements about Sadhu's publication the *Ajit Weekly*. None of Sadhu's claims succeeded. The Court case is of course distinguishable from the present opposition in many respects and in particular the Court was concerned with the mark AJIT in the Punjabi script rather than with the English term AJIT. Nevertheless, I note that the Court made findings of fact comparable to the findings of fact that I have made in this opposition, albeit on the basis of a different evidentiary record:

[83] The Plaintiff alleged that the mark is "famous" amongst the Punjabi speaking public. At the hearing, the Plaintiff argued that there is "no dispute - it is a famous institution". The Plaintiff submitted that the evidence of large circulation in the Punjab and the paper's availability on the internet shows that everyone knows of the paper. The Plaintiff's evidence is that every Punjabi family worldwide knows the *Ajit Daily* and in fact even the Defendants' family read the *Ajit Daily* in India.

[84] The Plaintiff's evidence falls short of demonstrating reputation in the Defendants' geographic region. There is no survey or other independent reputable evidence before me to find that the *Ajit Daily* has commercial goodwill in Canada or is famous in Canada as the only evidence presented to me is of seven subscribers in Canada in 2010... (emphasis added)

[34] Subsequent to the Decision, the trial decision cited by the Board was overturned in *Sadhu Singh Hamdard Trust v. Navsun Holdings Ltd*, 2016 FCA 69 [*Sadhu Singh Hamdard Trust*], in which Justice Gleason, writing for the Federal Court of Appeal, held as follows at paragraph 25:

[25] In analyzing the existence of goodwill solely from the perspective of those who were shown to have read the *Ajit Daily* in Canada, the Federal Court erred in law because use of a trade-mark in Canada is not a necessary pre-condition for the existence of goodwill in Canadian law. Rather, the requisite goodwill within a defendant's market may be shown to exist by virtue of the reputation of the plaintiff's trade-mark in the defendant's market, even where the plaintiff does not use the trade-mark in that market: *Orkin Exterminating Co. Inc. v. Pestco Co. of Canada Ltd. et al.*, [1985] O.J. No. 2536, 1985 CarswellOnt 144; *Enterprise Rent-A-Car Co. v. Singer*, [1996] 2 F.C.R. 694, 1996 CarswellNat 2506 at paragraph 52 aff'd 1998 CanLII 7405 (F.C.A.).

[35] The Trust argues that the Board relied upon the findings of fact in the trial decision as to the reputation of the Trust's mark in Canada, findings which were then set aside by the Federal Court of Appeal as having been based on a misapprehension of law. In particular, the conclusion on appeal was that the trial judge's finding that the Trust had no goodwill in Canada was arrived at after wrongly excluding the reputation achieved in the minds of Punjabi Canadian immigrants before coming to Canada. The Trust submits that the Board's reliance upon the trial judge's findings adopted that error of law and further represents an error by the Board because it limited the assessment of distinctiveness to the Trust's mark's reputation with its six subscribers in Canada while ignoring the 450,000 immigrants who arrived in Canada already familiar with the mark.

[36] I disagree with the Trust's argument that this portion of the Decision demonstrates an error of law on the part of the Board, as a review of the Decision does not support the Trust's

contention that the Board relied upon findings of fact made by the trial judge. Rather, the Board expressly stated that the trial decision was distinguishable in many respects and, even in noting that the Court had made findings of fact comparable to those of the Board, the Board observed that this was on the basis of a different evidentiary record. It is also significant that the Board's reference to the related jurisprudence followed the conclusion of the Board's own analysis of the distinctiveness of the Trust's mark and its conclusion that Navsun had succeeded on that ground of opposition. While the Board then proceeded to point out the consistency between its findings and those of the Federal Court in the Trust's passing off action, I cannot conclude that the Board relied upon the Court's findings of fact in arriving at its own findings.

[37] Moreover, I disagree that the legal principle underlying the decision of the Federal Court of Appeal applies to the present case. The relevant analysis in *Sadhu Singh Hamdard Trust* was concerned with whether or not the Trust had proven the elements necessary to succeed in an action for passing off. First, it was necessary for the Trust to demonstrate the existence of goodwill. Having noted at paragraph 25 that use of a trade-mark in Canada is not a necessary precondition for the existence of goodwill in the Canadian market, Justice Gleason reached the following conclusions at paragraph 27:

[27] Here, there was evidence before the Federal Court to indicate that the Ajit Daily enjoyed a reputation in the eyes of several affiants in Canada as a well-known Punjabi-language newspaper published in India. There was also evidence that a number of Canadians accessed the Ajit Daily's online version by visiting its website. It was incumbent on the Federal Court to evaluate this evidence to determine whether it was sufficient to establish that the Ajit Daily had garnered a reputation among a wider group in Canada than the few subscribers who bought the paper. Had such a wider reputation been established, it would have been sufficient to establish the requisite goodwill to meet the first step in the tripartite test for passing off. The Federal Court,

however, did not engage in this analysis as it erroneously viewed the issue of goodwill from the vantage point of the few Canadian subscribers who were shown to have purchased the Ajit Daily in Canada. The Federal Court therefore erred in law as it failed to apply the correct test for the assessment of goodwill.

[38] The second element of passing off, deception of the public by misrepresentation, involved demonstrating that Navsun's mark was confusing with the Trust's mark. Justice Gleason's conclusions on this element included a finding that the trial judge had erred by failing to consider the evidence as to the reputation that the Ajit Daily enjoyed, which may have contributed to the mark's acquiring distinctiveness (para 30). The trial judge's analysis of distinctiveness, in assessing confusion, is found at paragraphs 89 to 91 of the Federal Court's decision. This analysis appears to have considered only inherent distinctiveness, not acquired distinctiveness. In other words, in assessing the distinctiveness of the Trust's mark, the trial judge had not given any consideration to the reputation of the Ajit Daily, whether acquired through subscriptions to the print newspaper in Canada or acquired through other means.

[39] Nevertheless, I read the appellate finding, that the Federal Court had erred by failing to consider the effect of the Ajit Daily's reputation upon acquired distinctiveness, as including the reputation that Justice Gleason explained at paragraph 27 the Federal Court was required to assess in considering goodwill, i.e. a possible reputation among a wider group in Canada than the few subscribers who bought the print version of the paper. As such, *Sadhu Singh Hamdard Trust* turned in part on conclusions as to the evidence that should have been considered in assessing the acquired distinctiveness of the Trust's mark. However, it remains the case that those conclusions were reached in the context of a claim for passing off in which, as clearly established by the authorities cited by the Federal Court of Appeal, the reputation and resulting goodwill that are

the subject of the claim need not arise from the plaintiff's use of the relevant trade-mark in the defendant's market. It follows that, in assessing a passing off claim, the distinctiveness of the mark relevant to the confusion assessment can also be acquired through use of the plaintiff's mark outside Canada. As submitted by Navsun, the principles are different in the context of an application to register or maintain a trademark, where the jurisprudence provides that distinctiveness of a mark can only be acquired by use in Canada.

[40] Navsun refers the Court in particular to the decision in *Boston Pizza International Inc. v Boston Chicken Inc.*, 2003 FCA 120 [*Boston Pizza*], in which the Federal Court of Appeal stated as follows at paragraph 13:

[13] While there may be some difference between distinctive character and the distinctiveness of a mark, the jurisprudence is consistently to the effect that distinctiveness can only be acquired by use in Canada. It is not obvious why the demonstration of "distinctive character" should not be subject to the same condition. The following comments of Tomlin J. in *Impex Electrical Ltd. v. Weinbaum* (1927), 44 R.P.C. 405, at p. 410 have frequently been cited in the Federal Court:

For the purpose of seeing whether the mark is distinctive, it is to the market of this country alone that one has to have regard. For that purpose foreign markets are wholly irrelevant, unless it be shown by evidence that in fact goods have been sold in this country with a foreign mark on them, and that the mark so used has thereby become identified with the manufacturer of the goods.

See *Societe des Accumulateurs fixes et de traction v. Charles Le Borgne Ltee* (1975), 22 C.P.R. (2nd) 178 (F.C.T.D.), *Madger v. Brecks Sporting Goods Co.* (1973), 17 C.P.R. (2nd) 201 (F.C.A.), *Consorzio del Prosciutto di Parma v. Maple Leaf Meats Inc.* (2001), 11 C.P.R. (4th) 48 (F.C.T.D.), *Unitel*

Communications Inc. v. Bell Canada (1995), 61
C.P.R. (3rd) 95. (F.C.T.D).

[Emphasis added]

[41] While *Boston Pizza* was addressing the requirement to show “distinctive character” under s 14(1)(b) of the Act, in connection with an application for registration in Canada of a foreign registered trademark, the Court’s conclusion was based on jurisprudence surrounding distinctiveness for trademarks applied for based on use in Canada. As identified in the above quotation, *Boston Pizza* relied in part on the comments of Justice Tomlin in *Impex Electrical Ltd. v Weinbaum* (1927), 44 RPC 405 [*Impex*]. In *Consorzio Del Prosciutto Di Parma v Maple Leaf Meats Inc.*, [2001] 2 FC 536 at para 28, aff’d 2002 FCA 169, the Federal Court relied on the same quotation from *Impex* in considering an effort by the applicant, a consortium of prosciutto producers from Parma, Italy, to expunge the trade-mark PARMA registered to the respondent. The Court noted the irrelevance of the “spillover” effect, in that case an increasing recognition in Canada of the reputation of prosciutto produced in Parma, Italy, as opposed to the respondent’s actual sales in Canada of meat products in association with the respondent’s mark. In concluding that the applicant had failed to demonstrate that the respondent’s mark was not distinctive, the Court remarked at paragraph 35 that the distinctiveness of a trademark must be measured in the Canadian marketplace alone.

[42] I note that one of the authorities identified by the parties is the decision in *Motel 6, Inc. v No. 6 Motel Ltd.* (1981), 56 CPR (2d) 44 [*Motel 6*], in which this Court considered a circumstance where Canadian consumers were exposed to a trade-mark while outside the country. The plaintiff operated a large chain of motels under the name “Motel 6” throughout

most of the United States, with many of its customers being Canadian motorists. It sought to strike out the trade-mark of the defendant, a British Columbia company which employed a similar mark in connection with its operation of three motels in Canada. The Court granted this relief, concluding that the defendant's mark was not distinctive of its services, in part based on Canadian residents having attended the plaintiff's motels and having informed residents of Canada about them. The Court explained at paragraph 38 the breadth of evidence potentially relevant to its analysis of the distinctiveness of the defendant's mark:

[38] The attack based on non-distinctiveness is not restricted to actual performance of services in Canada as in the case of a claim of prior use pursuant to s. 4. It also may be founded on evidence of knowledge or reputation of the opposing mark spread by means of word of mouth and evidence of reputation and public acclaim and knowledge by means of newspaper or magazine articles as opposed to advertising. All relevant evidence may be considered which tends to establish non-distinctiveness.

[43] As emphasized by Navsun, the mark to which the Canadian consumers were exposed while outside the country in *Motel 6* was that of a party which sought to challenge the distinctiveness of a registered mark, not that of a party which was applying for or seeking to maintain registration of a mark in Canada based on use in Canada. I also note that *Motel 6* was considered by this Court in *Unitel Communications Inc. v Bell Canada* (1995), 92 FTR 161 [*Unitel*] where the applicant relied on that case, in seeking to strike the registration of the respondent's marks, to support its position that constant exposure to the use of a mark in the United States can affect public perception in Canada and can be sufficient to establish a reputation of a trade name in Canada. Justice Gibson preferred the position of the respondent, concluding at paragraphs 33 to 34, in part based on authorities relying on *Impex*, that evidence as to use of terms in the United States identical or similar to the respondent's marks was irrelevant.

[44] *Unitel* is one of the decisions cited by the Federal Court of Appeal in *Boston Pizza* in support of its conclusion that the jurisprudence is consistently to the effect that distinctiveness can only be acquired by use in Canada. *Boston Pizza* is binding upon me. Returning to *Sadhu Singh Hamdard Trust*, as explained above, that case was decided in the context of a passing off claim rather than an application to acquire the monopoly associated with registration of a trade-mark based on its use in Canada. I therefore do not interpret *Sadhu Singh Hamdard Trust* to have varied or departed from the jurisprudence reflected in *Boston Pizza*.

[45] That conclusion disposes of the Trust's argument that the Board erred in limiting its assessment of the Trust's trade-mark to Canadian subscribers while ignoring people who arrived in Canada already familiar with the mark. As explained later in these Reasons, that conclusion is also significant for the analysis of the relevance and materiality of the Trust's new evidence.

[46] The Trust also argues that the Board erred in permitting Navsun to rely on what the Trust characterizes as Navsun's "deceptive" use of its mark. The Trust again relies on *Miranda FC*, citing the following conclusions by Justice Simpson at paragraph 32 to support its submission that a party cannot rely on its own confusing use of a trade-mark to challenge another's rights to the mark:

[32] In my view, the Father's evidence does not establish prior use of the name Miranda. Before 2000, the evidence of use is not credible and, even if the Miranda name was used, it was twice abandoned. Further, between 2000 and 2004, when TMR was dissolved, the Father's use of the name Miranda in the Design Mark was calculated to confuse consumers. This is not prior use which entitles the Applicant to the benefit of subsection 17(1) of the Act.

[47] To similar effect, the Trust relies on the following passage from *Andres Wines Ltd. v E & J Gallo Winery* (1975), [1976] 2 FC 3 (FCA) [*Andres*] at page 18:

On the facts of the present case I am of the opinion that here too the registration of the mark “SPANADA” as the trade mark of the respondent and its use by the respondent in association with its wines would be calculated to deceive and mislead the public and that it follows from this that the mark is not adapted to distinguish the wares of the respondent. The opposition of the appellant under section 37(2)(d) of the *Trade Marks Act* should therefore be sustained.

[48] The Trust also refers the Court to the following paragraph from *Mr. P’s Mastertune Ignition Services Ltd. v Tune Masters* (1984), 82 CPR (2d) 128 (FCTD) at page 144:

The owner of a trade mark may lose his exclusive right in the mark if he permits the widespread use of it by rival traders either by concurrence or negative action. In that event the trade mark ceases to be distinctive of the owner’s wares or services. But an owner does not lose his rights in his trademark because someone infringes his rights.

[Applicant’s emphasis]

[49] In response to these arguments, Navsun takes the position that whether its use of its own mark was an infringement of the rights of the Trust is not a question that was before the Board or that is now before the Court. Rather, the applicable question is whether Navsun’s use, regardless of whether it represented infringing use, negated the distinctiveness of the Trust’s mark. Navsun submits that the jurisprudence is clear that infringing use may cause a trademark to lose its distinctiveness, although it is a question of degree as to how much of such use will be required in order to have this effect (see *Farside Clothing Ltd. v Caricline Ventures Ltd.*, 2002 FCA 446 at para 9). I agree with this statement of the law. Indeed, as explained by the Federal Court of

Appeal in *Auld Phillips Ltd. v Suzanne's Inc.*, 2005 FCA 429 at paras 5-7, it is possible for a single infringer to be the cause of a mark's loss of distinctiveness, although the Court also commented that this will be a rare occurrence. Ultimately, the question of whether a trade-mark has lost its distinctiveness is one of fact, or mixed fact and law, to be determined on the evidence of a particular case.

[50] Consistent with that understanding of the law, I do not regard *Miranda FC* or *Andres* to support the proposition advanced by the Trust, that there is a legal principle to the effect that a party cannot rely on its own confusing use of a trade-mark to challenge another's rights to the mark. It must be remembered that the issue the Board was required to consider was not whether Navsun's mark was distinctive of its own publication but whether the existence of that mark in the market negated the distinctiveness of the Trust's mark. A principle of the sort advocated by the Trust would conflict with the jurisprudence that infringing use can cause a loss of distinctiveness. I read the decisions in *Miranda FC* and *Andres* as turning on their respective facts, and I do not regard the Decision as demonstrating an error in law on the part of the Board in relying on Navsun's use of its mark as negating the distinctiveness of the Trust's mark.

[51] I note that the extent to which the owner of a trade-mark takes action to protect its mark can be relevant to whether its distinctiveness is negated by an infringing mark (see *Mattel U.S.A. Inc. v 3894207 Canada Inc.*, 2006 SCC 22 at para 26; *Philip Morris Inc. v Imperial Tobacco Ltd (1987)*, 17 CPR (3d) 289 (FCA) [*Philip Morris FCA*] at pp 297-298). The Trust argues that steps it has taken to defend its trade-mark preclude a finding that its distinctiveness has been negated. However, this is a question of mixed fact and law, which I will consider later in these Reasons.

[52] The final argument that I consider to raise a pure or extricable question of law is the Trust's submission that an opponent's use of a trade-mark is only relevant if it was a prior user of the mark in Canada. The Trust relies on s 16(1)(a) of the Act and argues that considering Navsun's use of its mark in relation to distinctiveness, when the Board found that it had not established prior use or making known of the mark, conflicts with the priority scheme established by the Act.

[53] I disagree with this position. Section 16(1)(a) of the Act provides that registration of a trade-mark based on it having been used or made known in Canada is not available if, on the date that it was first used or made known, the mark was confusing with a trademark that had been previously used or made known in Canada by another person. However, the Trust has cited no authority which would suggest that the right to challenge the distinctiveness of an applied-for mark, under ss 38(2)(d) and 2 of the Act, is restricted to such persons. In my view, such a conclusion would be inconsistent with the principle, as acknowledged by the Trust in its Memorandum of Fact and Law, that the material date to assess distinctiveness is the date of filing of the opposition to the application, as opposed to the assessment of confusion under section 16(1)(a) of the Act which is expressly required to be conducted as of the date of first use by the alleged prior user.

[54] Having found no pure errors of law demonstrated by the Decision, I will move to consideration of the Board's findings regarding the distinctiveness of the Trust's mark.

D. *Applying the appropriate standard of review, taking into account the new evidence introduced on appeal, did the Board err in its findings regarding the distinctiveness of the Applicant's mark?*

(1) Materiality of the New Evidence

[55] As previously explained, the selection of the standard of review applicable to the Board's findings of fact and mixed fact and law is influenced by the materiality of the new evidence introduced on appeal. The Trust filed 21 affidavits as new evidence in this appeal. These affidavits can be summarized as follows:

- A. Affidavit of Dr. Barjinder Singh Hamdard, the Editor in Chief of the Ajit Daily, whose evidence included an explanation of the history of the newspaper, its circulation in India, the number of Canadian subscribers between 1990 and 2010, and his knowledge of the Ajit Weekly since 1995;
- B. Three affidavits of Satpaul Singh Johal, a correspondent employed by the Trust to write for the Ajit Daily in Canada, whose evidence includes statistics on the number of Punjabi immigrants to Canada and statistics obtained from a third party website (Alexa.com) related to the number of visitors from Canada to the online version of the Ajit Daily. Mr. Johal also deposes that, since he came to Canada in 2001, he has had to clarify almost daily to confused readers of the Ajit Daily that it and the Ajit Weekly are unrelated;

- C. Affidavits of three other journalists employed by the Trust to write for the Ajit Daily in Canada, one residing in Ontario and the other two in Alberta, who depose that they have been asked by Punjabis living in Canada about the connection between the Ajit Daily and the Ajit Weekly, as they assumed that the publications were related;
- D. Affidavit of Sukhvinder Singh, the Trust's Marketing Manager, whose evidence includes information obtained from Google Analytics regarding the number of visitors from Canada to the online version of the Ajit Daily;
- E. Affidavits of thirteen Canadian residents of Punjabi descent, who immigrated from India between 1970 and 2009 and now live in either Ontario or Alberta. These affiants depose that they read the Ajit Daily in India, in some cases that they read the Ajit Daily regularly on the internet since coming to Canada, and that upon first seeing the Ajit Weekly in Canada they thought that it was the same or a related publication.

[56] In broad strokes, the new evidence is offered by the Trust to establish that the Ajit Daily is well known to members of the Punjabi community residing in India, that the number of members of that community who have immigrated to Canada has grown from approximately 136,000 in 1991 to 450,000 in 2011, and that Punjabi immigrants to Canada arrive with knowledge of the Ajit Daily and, at least initially, assume that the Ajit Weekly is the same or a related publication. The new evidence is also intended to establish that, while the number of Canadian subscribers to the print version of the Ajit Daily is small, a significantly larger number

of Punjabi Canadians read the electronic version of the Ajit Daily online. The data from Google Analytics reflects an average of 260,000 visits per month to the Trust's website between May and August 2008 and between 215,000 and 272,000 visits per month in certain selected months between May 2013 and December 2014.

[57] Having concluded earlier in these Reasons that distinctiveness of a mark can only be acquired through use in Canada, much of the Trust's new evidence is irrelevant and therefore could not have materially affected the Board's decision. This applies to the evidence of the reputation of the Ajit Daily in India, the magnitude of immigration to Canada, and the confusion on the part of Punjabi immigrants who arrive with knowledge of the Ajit Daily.

[58] Turning to the evidence of the number of Punjabi Canadians who read the electronic version of the Ajit Daily online, I again find this new evidence to be irrelevant to the issue of distinctiveness that was before the Board. The meaning of the term "distinctive" is prescribed by s 2 of the Act as follows:

distinctive, in relation to a trade-mark, means a trade-mark that actually distinguishes the goods or services in association with which it is used by its owner from the goods or services of others or is adapted so to distinguish them; (*distinctive*)

[Emphasis added]

distinctive Relativement à une marque de commerce, celle qui distingue véritablement les produits ou services en liaison avec lesquels elle est employée par son propriétaire, des produits ou services d'autres propriétaires, ou qui est adaptée à les distinguer ainsi. (*distinctive*)

[soulignement ajouté]

[59] The meaning of the term "use" is prescribed by s 2 of the Act as follows:

<p><i>use</i>, in relation to a trade-mark, means any use that by section 4 is deemed to be a use in association with goods or services; (<i>emploi ou usage</i>)</p>	<p><i>emploi ou usage</i> À l'égard d'une marque de commerce, tout emploi qui, selon l'article 4, est réputé un emploi en liaison avec des produits ou services. (<i>use</i>)</p>
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[60] Section 4(1), which relates to use of a trademark in association with goods, in turn provides as follows:

When deemed to be used

4 (1) A trade-mark 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.

Quand une marque de commerce est réputée employée

4 (1) Une marque de commerce est réputée employée en liaison avec des produits si, lors du transfert de la propriété ou de la possession de ces produits, dans la pratique normale du commerce, elle est apposée sur les produits mêmes ou sur les emballages dans lesquels ces produits sont distribués, ou si elle est, de toute autre manière, liée aux produits à tel point qu'avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.

[61] The conditions necessary to establish distinctiveness were summarized as follows in

Philip Morris Inc. v Imperial Tobacco Ltd (1985), 7 CPR (3d) 254 (FCTD) [*Philip Morris FC*] at page 270; aff'd *Philip Morris FCA*:

From these definitions, one can see why a loss of distinctiveness can invalidate the registration of a trade mark, since the very nature of a trade mark is to permit to distinguish the wares to which it is

associated from others. One can also see that distinctiveness requires that three conditions be met: (1) that a mark and a product (or ware) be associated; (2) that the “owner” uses this association between the mark and his product and is manufacturing and selling his product; and, (3) that this association enables the owner of the mark to distinguish his product from that of others.

[62] What is apparent from both the statutory provisions quoted above and this summary is that the analysis of distinctiveness is concerned with whether a mark distinguishes the particular goods and services in association with which it is used, such use being through means prescribed by s 4 of the Act. While the distribution in Canada of printed materials bearing the Trust’s mark represents use of that mark in association with those goods, I agree with Navsun’s submission that evidence of the Trust’s use of its mark on its website and electronic publications is irrelevant to whether the mark is distinctive of the printed materials, as such use does not represent use in association with those materials. Earlier in these Reasons, I rejected the Trust’s argument that, although its application for registration of its mark applied to “printed publications and newspapers”, that language is broad enough to apply to its electronic newspaper. I therefore find the evidence of the number of Punjabi Canadians who read the electronic version of the Ajit Daily online to be irrelevant to the distinctiveness of the Trust’s mark for purposes of the application that was before the Board, and I find that such evidence could not have materially affected the Board’s decision.

[63] The above conclusions eliminate the materiality of the affidavits of the thirteen Canadian residents of Punjabi descent, whose evidence of confusion between the Ajit Daily and Ajit Weekly is based on having read the Ajit Daily in India before immigrating to Canada and in some cases based on reading the Ajit Daily on the internet since coming to Canada. The affidavit

of Sukhvinder Singh, the Trust's Marketing Manager, is also irrelevant and immaterial, as the substance of his evidence related to information as to the number of visitors from Canada to the online version of the Ajit Daily. The same conclusion applies to the evidence of Satpaul Singh Johal, the Canadian correspondent for the Trust, as to the number of visitors from Canada to the online publication. The affidavit of Dr. Barjinder Singh Hamdard provides information on the number of Canadian subscribers to the print newspaper between 1990 and 2010. This information is relevant but is not material, as it does not substantially add to, or enhance the probative value of, the evidence that had been adduced before the Board.

[64] This leaves consideration of the evidence of Satpaul Singh Johal and the other three journalists working for the Trust in Canada, as to the confusion between the Ajit Daily and Ajit Weekly which has been expressed to them by Canadian consumers of Punjabi descent. Leaving aside concerns which Navsun raises as to the hearsay nature of this evidence, it is not sufficiently clear from these affidavits whether those consumers' exposure to the Ajit Daily was through reading it in India prior to emigrating, reading the electronic version in Canada, or being one of the small number of print subscribers in Canada. Only the last means of exposure would have arisen through use by the Trust in Canada of the mark in relations to the goods that are the subject of its application for registration of the mark. As I am unable to determine from the journalists' affidavits whether any of the evidence of confusion falls into this category, I cannot conclude that it is relevant or material.

[65] It is therefore my conclusion that none of the new evidence is material and that the Board's findings regarding the distinctiveness of the Trust's mark are to be reviewed on a standard of reasonableness.

(2) Reasonableness of the Board's Findings on Distinctiveness

[66] As previously noted, the extent to which the owner of a trade-mark takes action to protect its mark can be relevant to whether its distinctiveness is negated by an infringing mark. The Trust submits that it began challenging Navsun's use of the mark AJIT in 2004 and commenced its passing off action in 2010. It also obtained trade-mark registration for another related mark and filed the application for registration of the AJIT mark that is the subject of this appeal. I understand that the proceedings commenced in 2004 challenged an application by Navsun to register for its own use the mark AJIT in Canada and that, while Navsun's application was successful, it subsequently cancelled that registration when the Trust brought an application to expunge it. The passing off action commenced in 2010 is the proceeding that was the subject of the decision by the Federal Court of Appeal in *Sadhu Singh Hamdard Trust*, as a result of which the Trust's claims in that action are to be re-determined by the Federal Court.

[67] I do not consider this Canadian litigation history to undermine the reasonableness of the Board's conclusion that, as of the date of filing its opposition, December 28, 2012, Navsun's mark was sufficiently known to negate the distinctiveness of Trust's mark. While the Trust commenced efforts in 2004 to preclude Navsun from having a monopoly on the use of the mark in Canada, it did not take steps to prevent Navsun from using the mark until it commenced its passing off action and this application for registration of its own mark in 2010. By that time,

Navsun had been using its mark in Canada for 17 years. Even if one were to take into account the steps which the Trust commenced in 2004, Navsun's mark had by then been in use for over a decade.

[68] The Trust also argues that the Board erred by presuming from Navsun's use of its mark that the mark had become distinctive of Navsun, as it submits that mere use is not sufficient to displace the established prior meaning of another mark. The Trust's position is that, in order to succeed in challenging the distinctiveness of its mark, Navsun was obliged to inform the public that it was a new and different source of the relevant goods and to prove that it had done so successfully. It relies on *MC Imports Inc. v AFOD Ltd.*, 2016 FCA 60 [*MC Imports*] at paras 78-82, in which the Federal Court of Appeal upheld the conclusion of the trial judge the appellant's mark was not registrable and was invalid under s 12(1)(a) of the Act, as the evidence of the duration of its use was insufficient to meet the burden of demonstrating that the mark had acquired distinctiveness in the minds of consumers. That case involved the descriptive mark LINGAYEN, which described the municipality in the Philippines which was the place of origin of the goods with which the mark was associated, and the Court was considering what it referred to as an implicit argument under s 12(2) that the mark had been otherwise used in Canada so as to have become distinctive.

[69] I read the decision in *MC Imports* as turning on the particular issue and evidence in that case and not as prescribing a legal principle which would undermine the reasonableness of the Board's decision in the case at hand. The Board found that Navsun's mark was sufficiently known so as to negate the distinctiveness of the applied-for mark as of the material date and,

alternatively, described that finding as a conclusion that the target population reading the Canadian newspaper AJIT would identify a Canadian publisher as the source of the newspaper, rather than the Applicant. The Board's finding turned on the evidence that the circulation of Navsun's newspaper had grown to 11,000 per week from its Vancouver-based printer and 13,000 per week from its Toronto-based printer, in comparison with the six Canadian subscribers to the Trust's paper in the period 2002 to 2010. While the Board's conclusion, as to the respective reputations of the parties' marks, was based on the circulation volumes, as opposed to evidence of consumer perceptions, I regard its reasoning and conclusion as falling within the range of possible, acceptable outcomes and to be reasonable.

[70] I note that the Board's alternative description of its conclusion, i.e. that the target population reading the Canadian newspaper AJIT would identify a Canadian publisher as the source of the newspaper, rather than the Applicant, arguably extends further towards a finding as to the distinctiveness of Navsun's mark than was necessary to address its ground of opposition. As previously explained in these Reasons, the question the Board was required to address was whether Navsun's use of its mark had negated the distinctiveness of the Trust's mark, not whether Navsun's mark was distinctive of its own publications. However, the Board's articulation of the extent to which Navsun's mark had become known is consistent with its finding that Navsun's mark was sufficiently known to negate the distinctiveness of the Trust's mark, which is in turn consistent with the jurisprudential guidance on the question the Board was required to determine.

[71] The Trust also relies on the decision of this Court in *Heitzman v 751056 Ontario Ltd.* (1990), 34 CPR (3d) 1 [*Heitzman*] at 16-17, as support for its position that Navsun had a duty to inform the public that it was a new and different source of newspapers than the Trust. However, I find this authority to be of little assistance to the Trust, as it involved circumstances quite different from those in the present case. The issue in *Heitzman* was whether the respondent's trade-mark should be expunged because its mark had ceased to be distinctive of its products, after it changed the manufacturing source of the pianos it was selling. It was in that context that the Court concluded there was an obligation on the respondent, in order to maintain the validity of its mark, to inform the public that the source of the product it was selling under its mark had changed.

[72] Finally, the Trust relies on *Alibi Roadhouse Inc. v Grandma Lee's International Holdings Ltd.* (1997), 136 FTR 66, for the proposition that, as long as a mark remains distinctive in an identifiable geographic segment of the relevant market, it remains distinctive. The Trust submits that Navsun has only distributed its newspapers in a few urban centres and that there is no evidence that its mark is known in most of Canada. Navsun appears to accept that it is possible for a mark to acquire local distinctiveness, but it submits that the Trust has not adduced any evidence as to where in Canada its newspaper is circulated and that the present case is not one in which the parties' wares are limited to local customers. I agree with Navsun's position. While the Trust is correct that Navsun's evidence establishes distribution of the Ajit Weekly only in British Columbia and Ontario, the Trust's evidence does not provide a geographic breakdown within Canada as to where the Ajit Daily is distributed. Given the evidentiary record in this matter, the Decision is reasonable in reaching no conclusions on local distinctiveness.

[73] In conclusion, I find the Decision to be reasonable and will accordingly dismiss this appeal.

VI. Costs

[74] Each of the parties has claimed costs in this appeal. At the hearing, the parties agreed on the quantification of costs to be awarded to the successful party. The agreed amount is \$11,500.00, with applicable HST to be added only if the costs are being awarded to the Respondent. As the Respondent is the successful party, taking into account HST of 13% applicable in Ontario where the Respondent is based, my Judgment will award costs to the Respondent in the amount of \$12,995.00.

JUDGMENT IN T-185-16

THIS COURT'S JUDGMENT is that this appeal is dismissed, with costs to the Respondent, inclusive of fees, disbursements and HST, in the amount of \$12,995.00.

“Richard F. Southcott”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

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