

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

Citation: 2014 TMOB 90
Date of Decision: 2014-04-28

**IN THE MATTER OF AN OPPOSITION by
Beavertails Brands Inc. and 88766 Canada
Inc. to application No. 1,431,863 for the
trade-mark BEAVERSTYX & Design in the
name of 465708 Ontario Inc.**

[1] Beavertails Brands Inc. (Beavertails) and 88766 Canada Inc. (collectively referred to as the Opponent) oppose registration of the trade-mark BEAVERSTYX & Design (the Mark), as shown below, which is the subject of application No. 1,431,863.



[2] The application was filed by 465708 Ontario Inc. (the Applicant) on March 20, 2009 and is based on proposed use of the Mark in Canada in association with the following wares, as revised by the Applicant:

Baked rolled wafer biscuits and baked extruded wafer biscuits with geometric or pictorial impressions; outdoor sporting goods, namely canoe paddles, hockey sticks; pens and pencils; art work, namely prints, posters and decals. (the Wares)

[3] The Opponent alleges that the Mark is not registrable under section 12(1)(d) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act), that the Mark is not distinctive under section 2 of the Act and that the Applicant is not the person entitled to registration of the Mark under section 16(3) of the Act because the Mark is confusing with, among others, the Opponent's registered trade-mark BEAVERTAILS that has been previously used in Canada by the Opponent in association with, among others, pastry and restaurant services. The Opponent further alleges that the application for the Mark does not comply with the requirements of section 30 of the Act for a number of reasons, one of which being that the Applicant did not have the intention to use the Mark in Canada at the time of filing the application.

[4] The determinative issue in this proceeding is whether the Mark is confusing with the Opponent's trade-mark BEAVERTAILS as registered and used.

[5] For the reasons explained below, the application is refused for part of the Wares, namely "Baked rolled wafer biscuits and baked extruded wafer biscuits with geometric or pictorial impressions".

The Record

[6] The statement of opposition was filed by the Opponent on June 30, 2010 and each of the pleaded grounds was denied by the Applicant by counter statement.

[7] As its evidence, the Opponent filed the affidavit of Anthony Di Ioia, Chief Financial Officer of Beavertails and comptroller of Beavertails Canada Inc. (Beavertail Canada), sworn December 23, 2010, as well as certified copies of trade-mark registration Nos. TMA265087, TMA420972, and TMA505220 alleged in the statement of opposition (collectively referred to as the BEAVERTAILS Mark). The particulars of these registrations are annexed as Schedule "A" to my decision. The Di Ioia affidavit aims primarily to provide general information on the Opponent's business and evidence of use of the BEAVERTAILS Mark in Canada.

[8] In support of its application, the applicant filed the affidavits of its president, Edward Bodnar, sworn September 13, 2011, Dane Penney, a searcher in the firm representing the Applicant, sworn September 9, 2011, and Zirjan Derwa, an articling student in the same firm,

sworn September 13, 2011. The Bodnar affidavit aims primarily to provide general information on the Applicant's business in Canada. The Penney affidavit purports to introduce state of the register evidence for trade-marks that include the word BEAVER in Canada. The Derwa affidavit purports to evidence that the beaver is a national emblem of Canada and to introduce state of the marketplace evidence by means of excerpts from third parties' websites displaying the word BEAVER as part of a trade-name or trade-mark.

[9] None of the affiants were cross-examined.

[10] Both parties filed written arguments and were represented by agent at a hearing.

The parties' respective burden or onus

[11] The Opponent has the initial evidentiary burden to establish the facts alleged to support each ground of opposition. Once that burden is met, the legal burden or onus that the Mark is registrable remains on the Applicant, on a balance of probabilities [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); and *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA)].

Analysis of the grounds of opposition

The non-registrability ground of opposition

[12] The Opponent has pleaded that the Mark is not registrable having regard to the provisions of section 12(1)(d) of the Act in that it is confusing with the Opponent's BEAVERTAILS Mark that is the subject of the three registrations referred to above.

[13] I have exercised the Registrar's discretion to confirm that these registrations are in good standing as of today's date, which is the material date for assessing a section 12(1)(d) ground of opposition [see *Park Avenue Furniture Corp v Wickers/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 (FCA)].

[14] As the Opponent's evidentiary burden has been satisfied, the Applicant must therefore establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion

between the Mark and the Opponent's BEAVERTAILS Mark.

[15] Unless indicated otherwise, I will focus my analysis on the Opponent's registration No. TMA420972, which covers, generally speaking, pastry, clothing and outwear, novelty items, and restaurant services. This registration represents the Opponent's strongest case. If the Opponent is not successful with this mark, it would not achieve a more favourable result with the other marks. I wish to add in this regard that use of the design mark covered by registration No. TMA505220 amounts to use of the word mark BEAVERTAILS, which constitutes the dominant element of the mark.

The test for confusion

[16] Section 6(2) of the Act provides that:

The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[17] Thus, this section does not concern the confusion of the trade-marks themselves, but confusion of wares or services from one source as being from another source.

[18] The test for confusion is one of first impression and imperfect recollection. As noted by Mr. Justice Denault in *Pernod Ricard v Molson Breweries* (1992), 44 CPR (3d) 359 at 369:

The trade marks should be examined from the point of view of the average consumer having a general and not a precise recollection of the earlier mark. Consequently, the marks should not be dissected or subjected to a microscopic analysis with a view to assessing their similarities and differences. Rather, they should be looked at in their totality and assessed for their effect on the average consumer as a whole.

[19] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those listed at section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time the trade-marks have been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. This list is not exhaustive and all relevant

factors are to be considered. Further, all factors are not necessarily attributed equal weight as the weight to be given to each depends on the circumstances [see *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC); and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) for a thorough discussion of the general principles that govern the test for confusion].

Consideration of the section 6(5) factors

The inherent distinctiveness of the trade-marks and the extent to which they have become known

[20] The trade-marks at issue are both inherently distinctive, although less so in the case of the Opponent's trade-mark, as explained below.

[21] I agree with the Applicant that I can take judicial notice of the fact that the beaver is one of Canada's national emblems. That being so, I agree with the Applicant that the inherent distinctiveness to be afforded to that element of the parties' marks is low [see by analogy *Leaf Confections Ltd v Maple Leaf Gardens Ltd* (1988), 19 CPR (3d) 331 (FCA) concerning the inclusion of the national maple leaf symbol in a trade-mark]. However, this does not mean that trade-marks that contain the word BEAVER necessarily lack inherent distinctiveness [see the following decisions of the Registrar where the trade-marks at issue were all found inherently distinctive despite being made up of the word BEAVER combined with another word: *Boy Scouts of Canada v Aleksiuik*, (2006), 56 CPR (4th) 459 (TMOB); *Scouts Canada v Beaver County Productions* (2010) TMOB 40; and *Boy Scouts of Canada v Gagné*, 2007 CanLII 81544].

[22] In the present case, I agree with the Opponent that, aside from suggesting the shape of the pastries [see Exhibit 2 to the Di Ioia affidavit that evidences that the Opponent's pastries are stretched to the shape of a beaver's tail], the BEAVERTAILS trade-mark does not *per se* clearly describe any intrinsic characteristic of the wares and services in association with which it is registered. Likewise, aside from suggesting the shape of the Applicant's Wares [see paras 6, 7 and 8 of the Bodnar affidavit and Exhibits B and C thereof, wherein it is stated that the Applicant intends to use the Mark in association with various products "that resemble sticks, which could conceivably be created by the teeth of a beaver", e.g. baked rolled wafer biscuits (cigar shaped),

canoe paddles, hockey sticks, pens and pencils], the Mark does not clearly describe any intrinsic characteristic of the Wares. However, as put forward by the Applicant, “[...] ‘beaver tail’ has a common meaning as a well-known feature of a Canadian mammal, [whereas] the phrases ‘beaver sticks’ and ‘BEAVERSTYX’ do not have a similarly common meaning.” That being so, I agree with the Applicant that the Mark has a greater degree of inherent distinctiveness than the Opponent’s trade-mark in the context of their associated wares.

[23] The fact that there are other BEAVER trade-marks standing on the register of trade-marks does not come into play when assessing the inherent distinctiveness of the parties’ marks *per se*. However, state of the register evidence does constitute a relevant surrounding circumstance to be considered as an additional circumstance under the test for confusion. I will return to that point later.

[24] The strength of a trade-mark may be increased by making it known through promotion or use. There is no evidence that the Applicant’s proposed Mark has been used in Canada or that it has become known to any extent in Canada in association with the Wares.

[25] In contrast, the Di Ioia affidavit evidences that the Opponent’s BEAVERTAILS trade-mark has been used and become known, if not well-known, to a significant extent in Canada in association with the Opponent’s pastries and take-out restaurant services, as per my review below of the salient points of the Di Ioia affidavit.

The Di Ioia affidavit

[26] Mr. Di Ioia essentially attests to the following:

- BEAVERTAILS is a chain of take-out restaurants serving pastries, namely deep-fried sweet dough stretched by hand to resemble the tail of a beaver. The founders, Grant and Pam Hooker, sold their first BEAVERTAILS pastries in 1978 and, two years later, they opened their first permanent BEAVERTAILS store in Ottawa’s Byward Market [see para 5];
- As of the date of his affidavit, Beavertails Canada, a company associated with Beavertails Brands, operated over 80 franchised and licensed BEAVERTAILS, including its French

equivalent QUEUES DE CASTOR, stores in Canada [see para 6, and Exhibit 1 - photographs depicting some of the Opponent's BEAVERTAILS and QUEUE DE CASTOR take-out restaurant and stand locations found in ski resorts and prominent outdoor tourist locations in the provinces of Nova Scotia, Ontario, Quebec and British Columbia];

- The BEAVERTAILS Mark, including its French equivalent QUEUES DE CASTOR, in any form whatsoever, owned by Beavertails Brands, is used in Canada under license by Beavertails Canada in association with pastries and take-out restaurant services, and also in association with various merchandising products such as clothing, outerwear and novelty items which can be bought online from the website *www.beavertailsinc.com* [see paras 9, 11 and 20, and Exhibit 2 – examples of menus that have been used since at least 2010 and 2011, and Exhibit 7 – website excerpts displaying BEAVERTAILS branded clothing articles, caps and bags];
- By virtue of this license, Beavertails Brands has direct control over the character or quality of the products manufactured and sold and the services performed under the BEAVERTAILS Mark, including its French equivalent QUEUES DE CASTOR, in Canada and, indeed, has always been – and is still – exercising this control, whether by itself or through its predecessors in title [see para 10];
- Since at least 2003, Beavertails Canada has never sold less than 1.8 million units of BEAVERTAILS pastries per year in Canada [see para 13];
- In 2006, Beavertails Canada introduced in Canada a new sub-product, namely pastries commercialized under the trade-mark BEAVER BITES. These products are also made of deep-fried sweet dough but, as opposed to the original long and flat BEAVERTAILS pastries, they are rounded shape small bites. Between 2006 and 2010, Beavertails Canada sold over 160 000 BEAVER BITES pastries in Canada. No sales were made in 2008 as the product was going through a re-formulation [see para 12]. Contrary to the Applicant's submission, this one-year interruption does not amount to abandonment of the BEAVER BITES trade-mark as this is clearly not a situation where the Opponent had the intention to abandon the mark [see *Marineland Inc v Marine Wonderland and Animal Park Ltd*

(1974), 16 CPR (2d) 97 (FCTD)]. I will return to the BEAVER BITES pastries under the non-entitlement ground of opposition;

- Since at least 2003, the average expenditures spent by Beavertails Canada for the promotion and advertising in Canada of its full product line, including BEAVERTAILS and BEAVER BITES branded products and services, have been approximately Can\$165 000 per year [see para 15]. However, no breakdown is provided;
- As part of its license arrangement with Beavertails Brand, Beavertails Canada regularly and constantly promotes and advertises the BEAVERTAILS and QUEUES DE CASTOR pastries in Canada through, among others, social media, store signage, public relations, newspaper and magazine ads, tradeshows, promotional vehicle and website (*www.beavertailsinc.com*) [see paras 16 and 19, and Exhibits 3-A to F]. Upon review of these exhibits, I note that Exhibit 3-B refers to, among other things, newspaper articles from the *Toronto Star*, the *National Post*, and the *Ottawa Sun* reporting U.S. President Barack Obama's first official trip to Ottawa on February 19, 2009, during which he indulged in a BEAVERTAILS pastry;
- Numerous articles have been published in Canadian newspapers and other mainstream media publications distributed in Canada that refer to Beavertails Canada and the BEAVERTAILS pastries [see para 17, and Exhibits 4 and 5]. Upon review of these exhibits, I note that Exhibit 4 refers to, among other things, an article featuring Hillary Rodham Clinton accompanied by the caption "Expatriate in many of these postcards recall an Ottawa tradition of eating a BeaverTail when they skated down on the Rideau Canal. Hillary Rodam Clinton, wife of then president Bill Clinton, enjoyed the sweet pastry on a 1995 visit to Ottawa." I further note that Exhibit 5 pertains to media coverage received by the Opponent's BEAVERTAILS pastries during the Winter Olympic Games held in Vancouver in 2010; and
- The website *www.beavertailsinc.com* has been operated by Beavertails Canada since at least 1997. The traffic for the year 2009 has been approximately 52 700 views from Canadian visitors alone [see para 19, and Exhibit 6 – random sampling of pages extracted from the website].

[27] The Applicant puts great emphasis on the fact that the examples of use of the Opponent's BEAVERTAILS trade-mark in the course of trade of pastries mostly relate to boutique take-out restaurants targeting outdoor tourism in Canada, with a particular emphasis on winter outdoor tourism, such as skating, skiing, and the Winterlude festival in Ottawa. However, this does not lessen the extent to which the Opponent's BEAVERTAILS trade-mark has become known in Canada. To the contrary, the examples of media coverage received by the Opponent's BEAVERTAILS pastries together with the number of units of BEAVERTAILS pastries sold over the last decade, support the Opponent's position that its BEAVERTAILS trade-mark has come to acquire a distinctive character and an enviable reputation in Canada.

[28] The Applicant further contends that the examples of use of the Opponent's BEAVERTAILS trade-mark all relate to the Opponent's boutique take-out restaurants only as opposed to the Opponent's pastry wares. The Applicant takes a similar position with respect to the merchandising wares listed in the Opponent's registration.

[29] Insofar as the pastry wares are concerned, Exhibits 5 and 6 both include photographs of the Opponent's BEAVERTAILS pastry displaying the packaging in which it is served. This packaging prominently displays the BEAVERTAILS design mark as depicted in registration No. TMA505220. This is sufficient for the purpose of showing "use" under section 4(1) of the Act. That being so, I find it is not necessary to comment on the Opponent's position that the display of the BEAVERTAILS trade-mark on the Opponent's menus shown in Exhibits 1 and 2 would be sufficient to give notice of association between the BEAVERTAILS trade-mark and the pastries ordered at the counter from the menus.

[30] With respect to the merchandising wares, the excerpts from the Opponent's transactional website filed under Exhibit 7 show how the BEAVERTAILS trade-mark is displayed on the Opponent's branded clothing articles, caps and bags. However, no sales figures have been provided for these wares. Furthermore, the Opponent's evidence is silent with respect to the remaining wares listed in the Opponent's registration. As a result, I am unable to conclude that the Opponent's BEAVERTAILS trade-mark has become known to any extent with respect to these merchandising wares.

[31] To conclude on this first factor, I am satisfied from my review of the Di Ioia affidavit and

accompanying exhibits that the Opponent's BEAVERTAILS trade-mark has become known, if not well-known, to a significant extent in Canada in association with the Opponent's pastries and take-out restaurant services.

[32] To sum up, the overall consideration of this first factor, which is a combination of inherent distinctiveness and acquired distinctiveness, favours the Opponent insofar as the Opponent's pastries and take-out restaurant services are concerned.

The length of time the trade-marks have been in use

[33] As per my comments above, this factor also favours the Opponent. While the Di Ioia affidavit does not necessarily evidence use of the BEAVERTAILS trade-mark in association with each of the wares and services covered by the Opponent's registration dating back to the date of first use indicated in this registration, I am satisfied, from a fair reading of the affidavit and accompanying exhibits that it can reasonably be concluded that the BEAVERTAILS trade-mark has been used in Canada with the Opponent's pastries and take-out restaurant services for over three decades.

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

[34] When considering the nature of the wares and the nature of the trade, I must compare the Applicant's statement of wares with the statement of wares and services in the registration relied upon by the opponent [see *Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); and *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)]. However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. The evidence of the parties' actual trades is useful in this respect [see *McDonald's Corp v Coffee Hut Stores Ltd* (1996), 68 CPR (3d) 168 (FCA); *Procter & Gamble Inc v Hunter Packaging Ltd* (1999), 2 CPR (4th) 266 (TMOB); and *American Optional Corp v Alcon Pharmaceuticals Ltd* (2000), 5 CPR (4th) 110 (TMOB)].

[35] The Applicant's application covers, generally speaking, biscuits and outdoor sporting goods, pens and pencils, and art work, whereas the Opponent's registration covers pastry,

namely deep-fried sweet dough, and ancillary merchandising wares, as well as take-out restaurant services.

[36] Considering first the parties' food products, the Applicant puts great emphasis on the fact that its biscuits are baked and shelf stable as opposed to the Opponent's pastries that are made fresh to order deep-fried. However, and as stressed by the Opponent, the fact remains that pastries and biscuits both belong to the same category of food products that could be described as sweets and desserts. Moreover, they could potentially be sold through the same channels of trade, and potentially the same retailers as explained below.

[37] The Applicant's evidence filed through the Bodnar affidavit is to the effect that the Applicant has been in the waffle cones business for over 30 years. More particularly, the Applicant develops recipes and bakes products at its facility located in Harriston, Ontario. The Applicant currently sells its waffle cones to ice cream shops and specialty dessert stores across Canada in association with the trade-name Renaissance Cone & Cup [see paras 4 and 5].

[38] In about 2002, the Applicant began to experiment with creating rolled wafer biscuits out of a similar batter that it had been using for its waffle cones. The batter for the Applicant's extruded wafer biscuits is being extruded, instead of being rolled up. The Applicant intends to sell its wafer biscuits under the Mark [see paras 6 and 7].

[39] Although Mr. Bodnar's testimony pertains to the current sale of waffle cones, I agree with the Opponent that it would not be unreasonable to think that the Applicant also intends to sell its BEAVERSTYX wafer biscuits to ice cream shops and specialty dessert stores at the wholesale level. Given that the Opponent's evidence filed through the Di Ioia affidavit is to the effect that the Opponent's BEAVERTAILS franchise business model targets, among others, ice cream parlours and restaurants [see Exhibit 3-D to the Di Ioia affidavit, which includes ads published in *Franchise Canada Magazine*, September/October 2010 issue; *Ontario Restaurant News*, February 2010 issue, and *Magazine Le Chef*, March/April 2006 issue], both parties' products could potentially be sold through the same channels of trade, and potentially the same retailers.

[40] In fact, nothing prevents the Opponent from developing and further expanding its current

distribution channels. In other words, the Opponent's channels of trade are not restricted to boutique take-out restaurants that are either franchised or owned by the Opponent. Likewise, the Applicant's application does not contain any type of limitation to a specific trade, whether retail sales, online sales, wholesale sales or wholesale distribution. While the Applicant submits that it intends to sell its Wares through general third-party retail outlets, this does not transpire from the statement of Wares, or from Mr. Bodnar's testimony. The present case can be distinguished from the one in *Boy Scouts of Canada v Aleksiuik, supra*, in which the Registrar's comments on the restricted channels of trade evidenced by the parties were made in the context of a ground of opposition based on non-entitlement under section 16 of the Act as opposed to a non-registrability ground of opposition under section 12 of the Act.

[41] Turning to the remaining wares listed in the Applicant's application, I agree with the Opponent that, considering the nature of the Applicant's business outlined in the Bodnar affidavit, they likely consist of products intended to promote the sale of the Applicant's biscuits. However, the fact remains that these products differ from the Opponent's merchandising wares, especially those described as "outdoor sporting goods, namely canoe paddles, hockey sticks". By reason of their very nature, I find it is unlikely that the Applicant's non-food wares would be sold through ice cream shops and specialty dessert stores.

[42] To sum up, I find that the overall consideration of the nature of the parties' wares and/or services and their corresponding trades favours the Opponent as far as the parties' respective food wares are concerned.

The degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[43] As noted by the Supreme Court in *Masterpiece*, above, at paragraph 49, "the degree of resemblance, although the last factor listed in [section] 6(5) [of the Act], is the statutory factor that is often likely to have the greatest effect on the confusion analysis [...] if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion".

[44] Moreover, as previously mentioned, it is well-established in the case law that likelihood

of confusion is a matter of first impression and imperfect recollection. In this regard, “[w]hile the marks must be assessed in their entirety (and not dissected for minute examination), it is still possible to focus on particular features of the mark that may have a determinative influence on the public’s perception of it” [see *Pink Panther Beauty Corp v United Artists Corp* (1998), 80 CPR (3d) 247 (FCA), at para 34]. The preferable approach is to first consider whether any aspect of the trade-mark is particularly striking or unique [see *Masterpiece*, above, at paragraph 64].

[45] Applying those principles to this case, I find there is a fair degree of resemblance between the parties’ marks.

[46] Both marks begin with the word element BEAVER. They share the same number of syllables. As per my comments above, they both suggest the shape of their associated food wares, that is a pastry having the shape of a beaver tail and a biscuit having the shape of a stick. The Applicant does not contradict this point. However, it submits that “the [M]ark simultaneously suggests sticks produced by beaver’s teeth, as well as the coming together of the natural world and civilisation”. More particularly, the Applicant submits that:

The [Mark] may be suggestive of at least two ideas, neither of which is related to the shape of a beaver’s tail [...]. First, the [Mark] may suggest sticks produced by beaver’s teeth, drawing attention to the front end of a beaver’s anatomy, as opposed to the back end where the tail is located. The suggestion of sticks results from the presence of the word STYX, which is a phonetic equivalent of the word “sticks”, as well as the presence of the representation of the beaver’s teeth. The “Beaver teeth” design does not suggest the shape of the Applicant’s wares, and the Applicant’s wares do not resemble any notable portions of a beaver’s anatomy. Second, the [Mark] refers to the River Styx from Greek [m]ythology, suggesting the idea that the Applicant’s wares represent the coming together of the natural world and civilization.

[47] I am not persuaded by the Applicant’s submissions in this regard.

[48] First, the distinction made by the Applicant between the front and back ends of a beaver’s anatomy requires a degree of scrutiny that departs from the principle enunciated above according to which the marks must be considered in their entirety as a matter of first impression. Whether one looks at the teeth or the tail of a beaver, it remains that the marks share the same structure and both call to mind the idea of a beaver.

[49] Second, I am of the view that the allusion to the Greek mythology is too far a stretch. In

his affidavit, Mr. Bodnar explains that:

[He] chose the beaver teeth and the word STYX in order to convey to purchasers the idea of a beaver using its teeth to create sticks. The Applicant's wares, rolled wafer biscuits, hockey sticks, canoe paddles and pencils, are items that resemble sticks, which could conceivably be created by the teeth of a beaver. The word BEAVERSTYX as a whole suggests the idea of the beaver being the gatekeeper of the sticks. The word STYX is an allusion to the River Styx, a river in Greek mythology that formed the boundary between the Earth and the Underworld. The teeth design was born of the symbolism of heraldry and resembles a shield divided into two by a stick representing a river. This river divides the body of the shield representing the natural spiritual ecosystem on one side and the spirit of civilization on the other side.

[50] As stressed by the Opponent at the oral hearing, there is no evidence that the average Canadian purchaser of the Wares is knowledgeable of Greek mythology. The second level of symbolism attributed to the Mark by the Applicant is highly abstract and hypothetical. The Applicant itself acknowledges that the combination of the word STYX, taken from Greek mythology, with the word BEAVER and a design feature is completely "unrelated to the Applicant's [W]ares". In the circumstances, I find it is unlikely that the average Canadian purchaser of the wares would react to the Mark by ascribing to it the second idea or level of symbolism alleged by the Applicant.

[51] To sum up, the overall consideration of this fifth factor favours the Opponent.

Additional surrounding circumstances

State of the register evidence

[52] The Applicant submits that the Penney affidavit evidences that there are at least 26 registered trade-marks in Canada that include a beaver design or the word BEAVER for use with food or food services. As a result, the Applicant submits that the Mark is unlikely to be confused for the Opponent's BEAVERTAILS trade-mark on the basis of BEAVER alone since BEAVER lacks inherent distinctiveness.

[53] State of the register evidence is introduced to show the commonality or distinctiveness of a mark or portion of a mark in relation to the register as a whole. Evidence of the state of the register is only relevant insofar as inferences may be made on it concerning the state of the

marketplace, and inferences about the state of the marketplace can only be drawn when a significant number of pertinent registrations are located [see *Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Welch Foods Inc v Del Monte Corp* (1992), 44 CPR (3d) 205 (FCTD); and *Maximum Nutrition Ltd v Kellogg Salada Canada Inc* (1992), 43 CPR (3d) 349 (FCA)].

[54] In the present case, the Opponent stresses that none of the BEAVER trade-marks listed in the Penney affidavit covers pastries or cookies, except registration No. TMA595342 for the trade-mark “TheBigBeaver.com & Design”. The Opponent points out that this registration has been expunged under the provisions of section 45 of the Act after the signature of the Penney affidavit. This may explain why this registration has not been highlighted by the Applicant in its written argument.

[55] Of the 25 registrations highlighted by the Applicant in its written argument, many are owned by the same owner. Others do not cover food items *per se*. In fact, these registrations show that there are about 7 registrations covering alcoholic beverages owned by 4 different owners; 10 registrations covering food items such as candy, pasta, condiments, edible nuts, shelf stable meat jerky, nutritional drinks and fresh fruits owned by 7 different owners; 4 registrations covering restaurant or catering services owned by 4 different owners; and 2 registrations covering non-food items owned by 2 different owners.

[56] I agree with the Opponent that none of these registrations covers wares as closely connected to the Opponent’s BEAVERTAILS pastries as the wafer biscuits covered by the Applicant’s application. That being so, I agree with the Opponent that the state of the register evidence does not significantly assist the Applicant.

State of the marketplace evidence

[57] As indicated above, the Derwa affidavit purports to introduce state of the marketplace evidence by means of excerpts from third parties’ websites displaying the word BEAVER as part of a trade-name or trade-mark.

[58] As pointed out by the Opponent, none of the websites displaying the word “BEAVER” as

part of a trade-name or trade-mark selected as Exhibits E2, F2, G2, H2 and I2 attached to the Derwa affidavit are associated with pastries, or any other related products such as cookies and bakery goods for instance. All of the websites appear to relate to extremely different wares and services, such as personal care products, motel and accommodation services, paving and landscape architecture services, etc. Moreover, these exhibits by no means establish the truth of their content [see *ITV Technologies Inc v WIC Television Ltd* (2003), 29 CPR (4th) 182 (FCTD), affirmed by (2005), 38 CPR (4th) 481 (FCA)]. In fact, it is impossible to determine the extent to which the trade-names or trade-marks referred to in these websites have actually been used in Canada.

[59] To sum up, I agree with the Opponent that the state of the marketplace evidence ought to be disregarded.

Conclusion regarding the likelihood of confusion

[60] As indicated above, the Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. The presence of a legal onus on the Applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the Applicant.

[61] As stressed by the Opponent at the hearing, the issue is not whether the Opponent ought to be afforded a monopoly over the word BEAVER in Canada, but whether an individual having an imperfect recollection of the Opponent's BEAVERTAILS trade-mark as associated with the Opponent's wares and services, would, as a matter of first impression and imperfect recollection conclude that the Applicant's Wares share a common source. I find this is such a case with respect to the Applicant's food wares.

[62] Indeed, I am of the view that the Opponent's evidence raises sufficient doubts as to the likelihood of confusion as far as the Applicant's wafer biscuits and the Opponent's pastries and take-out services are concerned. While the parties' trade-marks are not identical, there is a fair degree of resemblance between them. These resemblances coupled with the fact that the BEAVERTAILS trade-mark has achieved a significant reputation in Canada in association with the Opponent's pastries and take-out restaurant services, the fact that the parties' wares both

consist of sweets and desserts, and the fact that there is a potential overlap between their associated channels of trade, lead me to conclude that the Applicant has not met its legal onus to show that it is not reasonably likely that an individual who has an imperfect recollection of the Opponent's BEAVERTAILS pastries, would not, as a matter of first impression and imperfect recollection conclude that the Applicant's wafer biscuits come from the same source or that some form of authorisation exists between both parties.

[63] However, I find that the Applicant has met its legal onus with respect to its non-food wares. As per my review of the Opponent's evidence, the Opponent's reputation is linked to its pastries and take-out restaurant services only. That being so, the Opponent's evidence is insufficient to enable me to conclude that the same scope of protection should be afforded to its BEAVERTAILS trade-mark in relation to its non-food wares. As the parties' trade-marks are not identical, I find that the differences existing between same coupled with the differences existing between the parties' non-food wares are sufficient to preclude a likelihood of confusion.

[64] Accordingly, the section 12(1)(d) ground of opposition succeeds with respect to the Applicant's wares described as:

Baked rolled wafer biscuits and baked extruded wafer biscuits with geometric or pictorial impressions.

[65] It is otherwise dismissed with respect to the Applicant's wares described as:

Outdoor sporting goods, namely canoe paddles, hockey sticks; pens and pencils; art work, namely prints, posters and decals.

[66] As the Opponent's BEAVERTAILS trade-mark covered by registration No. TMA420972 represented the Opponent's strongest case, I find it is not necessary to comment on the other trade-marks which have been relied upon by the Opponent.

The non-entitlement grounds of opposition

[67] The Opponent has pleaded that the Applicant is not the person entitled to registration of the Mark for a number of reasons, one of which being that, pursuant to section 16(3)(a) of the Act, at the date of filing of the application, the Mark was confusing with the Opponent's

BEAVERTAILS Mark and variants thereof, including BEAVER BITES and BEAVER LOGS, which had been previously used in Canada by the Opponent.

The section 16(3)(a) ground of opposition

[68] An opponent meets its evidentiary burden with respect to a section 16(3)(a) ground if it shows that as of the date of filing of the applicant's application, its trade-mark had been previously used in Canada and had not been abandoned as of the date of advertisement of the applicant's application, which is in this case May 19, 2010 [section 16(5) of the Act]. As per my review above of the Di Ioia affidavit, the Opponent has met its evidentiary burden with respect to the BEAVERTAILS Mark and the BEAVER BITES trade-mark at least as far as the Opponent's food wares are concerned. It has not with respect to the BEAVER LOGS trade-mark.

[69] The difference in relevant dates does not substantially affect my analysis above under the section 12(1)(d) ground of opposition. In fact, I find that the Opponent's case with respect to the Applicant's food wares is even stronger under the section 16(3)(a) ground of opposition when considering the evidence of use of the BEAVER BITES trade-mark provided by Mr. Di Ioia.

[70] Indeed, Exhibit D-3, among others, shows that the Opponent's BEAVER BITES pastries are typically paired with ice cream and sold on a wholesale basis to distributors purveying ice cream parlours. While the specimen of advertising pertaining to the wholesale distribution of BEAVER BITES pastries in the *Ontario Restaurant News* was published in May 19, 2010, that is after the material date of March 20, 2009, I note that the specimen of advertising pertaining to the Opponent's partnership with ice cream parlours published in *Magazine Le Chef* in April 2006 includes pictures of the Opponent's display counter supplied to its ice cream parlour partners displaying both the Opponent's BEAVERTAILS and BEAVER BITES pastries.

[71] I agree with the Opponent that the evidence of use of the BEAVER BITES trade-mark supports the Opponent's argument that the Applicant's Mark could be perceived as a sub-product of BEAVERTAILS, just as BEAVER BITES, as far as the parties' respective food wares are concerned.

[72] Turning to the parties' respective non-food wares, the Di Ioia affidavit fails to provide information as to when and how many of the BEAVERTAILS branded clothing articles, caps

and bags shown in Exhibit 7 were sold by the Opponent. As a result, the Opponent has not met its burden with respect to its non-food wares. Accordingly, my ultimate conclusion above under the non-registrability ground of opposition concerning the likelihood of confusion between the parties' respective non-food wares remains the same.

[73] The section 16(3)(a) ground of opposition therefore succeeds with respect to the Applicant's wares described as:

Baked rolled wafer biscuits and baked extruded wafer biscuits with geometric or pictorial impressions.

[74] It is otherwise dismissed with respect to the Applicant's wares described as:

Outdoor sporting goods, namely canoe paddles, hockey sticks; pens and pencils; art work, namely prints, posters and decals.

The other non-entitlement grounds of opposition

[75] As indicated above, the Opponent has pleaded that the Applicant is not the person entitled to registration of the Mark for a number of reasons. Among the other reasons pleaded by the Opponent are the fact that pursuant to section 16(3)(c) of the Act, at the date of filing of the application, the Mark was confusing with the Opponent's trade-name BEAVERTAILS and variants thereof, which had been previously used in Canada by the Opponent.

[76] An opponent meets its evidentiary burden with respect to a section 16(3)(c) ground if it shows that as of the date of filing of the applicant's application, its trade-name had been previously used in Canada and had not been abandoned as of the date of advertisement of the applicant's application [section 16(5) of the Act]. While the Di Ioia affidavit does establish use of the BEAVERTAILS trade-mark, it fails to establish use of that word as a trade-name. That being so, the Opponent has failed to satisfy its evidentiary burden. Accordingly, the section 16(3)(c) ground of opposition is dismissed.

[77] The Opponent has also pleaded under the introductory paragraph of section 16 of the Act that the application does not conform to the requirements of section 30 of the Act, that the application is not for a proposed trade-mark but one that is being used, and that the Mark is not registrable and does not function as a trade-mark. I am of the view that such pleading does not

raise a valid ground of opposition. Such pleading would be more appropriately raised under section 38(a) (non-compliance with section 30 of the Act) or (b) (non-registrability pursuant to section 12) discussed elsewhere in my decision. Accordingly, this ground is dismissed.

The non-distinctiveness ground of opposition

[78] The Opponent has pleaded that the Mark is not distinctive of the Applicant within the meaning of section 2 of the Act in that it does not serve to distinguish the Wares of the Applicant from those of the Opponent, and the Applicant has allowed third parties to use the Mark without proper licensing contrary to sections 50 and 48(2) of the Act, and that the Mark does not function as a trade-mark.

[79] Considering the first prong of the non-distinctiveness ground of opposition, an opponent meets its evidential burden with respect to a distinctiveness ground if it shows that as of the filing of the opposition its trade-mark had become known to some extent at least to negate the distinctiveness of the applied-for mark [see *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 (F.C.T.D)]. As per my review above of the Di Ioia affidavit, the Opponent has met its evidentiary burden with respect to the BEAVERTAILS trade-mark at least as far as the Opponent's food wares and restaurant services are concerned.

[80] The difference in relevant dates does not substantially affect my analysis above under the section 12(1)(d) ground of opposition. Accordingly, the first prong of the non-distinctiveness ground of opposition succeeds with respect to the Applicant's wares described as:

Baked rolled wafer biscuits and baked extruded wafer biscuits with geometric or pictorial impressions.

[81] It is otherwise dismissed with respect to the Applicant's wares described as:

Outdoor sporting goods, namely canoe paddles, hockey sticks; pens and pencils; art work, namely prints, posters and decals.

[82] Turning to the second and third prongs of the non-distinctiveness ground of opposition, the Opponent has failed to satisfy its evidentiary burden thereof. Indeed, the Opponent has simply not provided any evidence or argument supporting its allegations.

[83] Accordingly, the second and third prongs of the non-distinctiveness ground of opposition are dismissed.

Grounds of opposition revolving around non-compliance of the application with the requirements of section 30 of the Act

[84] The Opponent has pleaded that the application for the Mark does not comply with the requirements of sections 30(a), (e), (h) and (i) of the Act for a number of reasons. A detailed analysis of each of these grounds is not necessary as explained below.

Section 30(a), (e) and (h) grounds of opposition

[85] The Opponent has failed to discharge its evidentiary burden in relation to these grounds of opposition. Suffice it to say that the Bodnar affidavit makes it clear that the Opponent had not yet started using the Mark pursuant to section 4 of the Act at the time of filing of the application, nor at any other time when swearing the Bodnar affidavit.

Section 30(i) ground of opposition

[86] I find it is unnecessary to determine whether or not the Opponent's section 30(i) ground, as pleaded, raises a proper ground of opposition or, if the Opponent has satisfied its initial evidentiary burden with respect thereto. Indeed, even if it were found that the ground of opposition is properly pleaded and that the Opponent has satisfied its evidentiary burden, such ground would, at best for the Opponent, succeed only in respect of the Applicant's food wares. In other words, my findings made above under the non-registrability, non-entitlement, and non-distinctiveness grounds of opposition concerning the absence of likelihood of confusion with respect to the Applicant's non-food wares would remain applicable.

Disposition


[87] In view of the foregoing and pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application in respect of the following wares:

Baked rolled wafer biscuits and baked extruded wafer biscuits with geometric or pictorial impressions.

and I reject the opposition with respect to the remainder of the wares pursuant to section 38(8) of the Act [see *Produits Menagers Coronet Inc v Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 CPR (3d) 492 (FCTD) as authority for a split decision].

Annie Robitaille
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Schedule A

Trade-mark	Registration No.	Wares/Services Claims
BEAVER TAILS	TMA265087	<p>WARES: (1) Pastry, namely deep-fried sweet dough.</p> <p>SERVICES: (1) Take-out restaurant.</p> <p>CLAIMS: Used in CANADA since April 30, 1981.</p>
BEAVERTAILS	TMA420972	<p>WARES: (1) Pastry, namely, deep-fried sweet dough, clothing and outerwear, namely, t-shirts, shirts, aprons; accessories, namely, scarves and hats; novelty items, namely, flags, pennants, tote bags, balloons, key chains, mugs, drinking glasses, maps.</p> <p>SERVICES: (1) Restaurant services namely take-out restaurant and food services.</p> <p>CLAIMS: Used in CANADA since at least as early as April 30, 1981.</p>
	TMA505220	<p>WARES & SERVICES: same as those of registration No. 420972</p> <p>CLAIMS : Used in CANADA since at least as early as June 1989.</p>