

IN THE MATTER OF AN OPPOSITION
by The Co-operative Union of Canada
to application No. 569,832 for the
trade-mark CO-OP & Design filed by
Tele-Direct (Publications) Inc.

On September 24, 1986, the applicant, Tele-Direct (Publications) Inc., filed an application to register the trade-mark CO-OP & Design (illustrated below) for "classified advertising services" based on proposed use in Canada. The application was amended to include a disclaimer to the word CO-OP and was subsequently advertised for opposition purposes on May 27, 1987.

The opponent, The Co-operative Union of Canada, filed a statement of opposition on June 8, 1987, a copy of which was forwarded to the applicant on June 29, 1987. The first ground of opposition is that the application does not comply with the provisions of Section 30(i) of the Trade-marks Act because (a) the applicant was aware of the opponent's CO-OP marks and (b) the adoption of the word CO-OP as a trade-mark or otherwise by a non-co-operative is prohibited by Sections 33(2) and 33(3) of the Canada Co-operative Associations Act.

The second ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Trade-marks Act because it is confusing with the opponent's trade-marks CO-OP and CO-OP & Design (illustrated below) registered under Nos. 122,817 and 135,998 for a long list of services including the following services:

advertising services namely, advertising the goods and services of others by means of radio and television broadcasts, newspaper and magazine advertisements.

The third ground of opposition is that the applied for trade-mark is not

registrable pursuant to the provisions of Sections 9(1)(d) and 12(1)(e) of the Trade-marks Act. Because the applicant's mark includes the word CO-OP, it is likely to lead to the belief that the applicant's services have received, or are produced, sold or performed under, royal, vice-regal or governmental patronage, approval or authority. The fourth ground is that the applicant's mark is not distinctive in view of the foregoing.

The applicant filed and served a counter statement generally denying the allegations of the opponent. In addition, the applicant asserted that the word CO-OP is descriptive and that the Canada Co-operative Associations Act does not preclude the use of the word CO-OP by businesses in a descriptive manner.

As its evidence, the opponent filed the affidavits of Michael Michalyshyn, Harold Empey and Lynden Hillier. The applicant filed the affidavits of Andrea Billingham, Holly-Ann Huard Drouin and Jean E. Seguin. As evidence in reply, the opponent filed the affidavit of W. Vincent Clifford and a second affidavit of Lynden Hillier. Both parties filed a written argument and an oral hearing was conducted at which both parties were represented.

As for the opponent's first ground of opposition, the material time for considering the circumstances respecting the applicant's compliance with Section 30(i) of the Trade-marks Act is as of the filing date of the application. The onus or legal burden is on the applicant to show its compliance with the provisions of Section 30(i) of the Act. There is, however, an evidential burden on the opponent to prove its supporting allegations of fact.

As for the first aspect of the first ground of opposition, the opponent has failed to adduce evidence suggesting that the applicant was aware of the opponent's marks as of the filing date of the application. As for the second aspect of the ground, Section 33(2) of the Canada Cooperative Associations Act reads as follows:

No person, other than an association, may use the words "cooperative", "co-op" and "pool" or any of them or any abbreviation or derivation of any of them as part of its name or in any other manner in connection with the conduct of its business so that he could reasonably be considered to be holding himself out as carrying on business on a cooperative basis.
(emphasis added)

The proposed use by the applicant of a trade-mark which includes the word CO-OP and two hands joined in a handshake in association with "classified advertising services" does raise the suggestion that the applicant may be holding itself out as carrying on business on a cooperative basis. Exhibits G and H to the Seguin affidavit are copies of portions of handbooks which evidence the manner in which the applicant has commenced to use its mark. Although the inside pages of these handbooks indicate that they are essentially directories of information relating to cooperative advertising plans of various companies, the cover pages only show the applicant's mark and its name. Someone viewing the cover page of one of these handbooks might reasonably assume that the applicant was holding itself out as carrying on business as a co-op. It is clear from the Seguin affidavit, however, that the applicant is not a co-op. Thus, I consider that the opponent has met its evidential burden respecting the ground of opposition based on Section 30(i) of the

Trade-marks Act. Furthermore, I consider that the applicant has failed to satisfy the onus on it to show the truthfulness of the statement in its application that it was satisfied that it was entitled to use the trade-mark CO-OP & Design in association with the applied for services. Thus, the first ground is successful.

As for the second ground of opposition, the material time for considering the circumstances respecting the issue of confusion with the opponent's two registered trade-marks is as of the date of my decision: see pages 2-4 of the unreported opposition of today's date in The Conde Nast Publications Inc. v. The Canadian Federation of Independent Grocers (Application No. 584,296). Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion. Finally, in applying the test for confusion set forth in Section 6(2) of the Trade-marks Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5).

The opponent's marks are inherently weak since the word CO-OP is an abbreviation for the word "cooperative" which describes a manner of doing business. The opponent has only evidenced minor activities and expenditures in relation to its two marks for the specific advertising services set out above. Thus, I am unable to conclude that there was any significant reputation for those marks in association with those services.

The applicant's mark, too, is inherently weak in view of the element CO-OP (which has been disclaimed) and because the design of two hands joined in a handshake underscores the meaning of the word CO-OP. The additional design features in the applicant's mark do, however, give it a somewhat higher degree of inherent distinctiveness. There is insufficient evidence to ascribe any reputation of note to the applicant's mark.

The length of time the marks have been in use is not a significant factor in the present case. Although the opponent's registrations claim longstanding use of the marks in association with the advertising services noted above, the opponent has only evidenced recent activities.

The services of the parties would appear to be overlapping. The opponent's registrations cover "advertising services" performed through a variety of media. The applicant's application covers advertising services of a particular type, namely "classified advertising services." Such services would appear to be of the type where advertising is performed by means of classifying the goods and services of others. Presumably, this would most commonly be done through directories which could appear in printed form or via the electronic media. The description of services in the opponent's registrations would also cover particular types of advertising services including "classified advertising services." It therefore also follows that the trades of the parties could overlap.

It is the applicant's contention that the services of the parties are different as shown by the applicant's activities to date. The evidence shows that the applicant compiles and distributes directories regarding various cooperative advertising programs offered by manufacturers and suppliers to dealers, distributors, retailers and the like.

However, the applicant is seeking registration for "classified advertising services" and it is the broad description which governs in considering the issue of confusion, not the particular narrow field which the applicant has occupied to date: see the decisions of the Federal Court of Appeal in Mr. Submarine Ltd. v. Amandista Investments Ltd. (1987), 19 C.P.R.(3d) 3 at pgs. 10-11 and Henkel Kommanditgesellschaft v. Super Dragon Import Export Inc. (1986), 12 C.P.R.(3d) 110 at pg. 112.

As for Section 6(5)(e) of the Trade-marks Act, I consider there to be a relatively high degree of resemblance between the marks of the parties in all respects. In fact, the applicant's mark includes as a dominant portion the entirety of the opponent's registered mark CO-OP. The design of two hands shaking in the applicant's mark serves to underscore the idea suggested by the word CO-OP. As for the remaining design components of the applicant's mark, they are not particularly distinctive. Furthermore, they resemble, to some extent, the border design in the opponent's registered design mark.

Much of the applicant's evidence is directed to showing the use of the words "co-op" and "cooperative" by others. For example, the Huard-Drouin affidavit lists a number of registrations for trade-marks including one of these two words. However, all but one of those marks is owned by a federally or provincially registered cooperative. More importantly, none of the registrations covers advertising services.

The Billingham affidavit lists a number of companies with "co-op" or "cooperative" in their names. The Clifford affidavit shows that two of these companies are no longer in business, one has changed its name and most of the rest are provincially registered cooperatives. More importantly, there is no evidence that any of these companies are engaged in the business of providing advertising services.

In his affidavit, Mr. Seguin states that he is aware that the words "co-op" and "cooperative" are commonly used in the advertising industry to identify a type of advertising program where manufacturers or suppliers share the cost of advertising by dealers, distributors, retailers and the like. In support of that contention, Mr. Seguin appended, as Exhibit E, to his affidavit photocopies of the cover pages of booklets and leaflets respecting such programs. However, some of these materials are for companies in the United States. As for the rest, there is no indication as to their circulation or currency in Canada. Thus, the Seguin affidavit is insufficient to establish that consumers would be familiar with the use of the words "co-op" and "cooperative" in the manner described by Mr. Seguin.

Thus, the applicant has failed to show that there had been common adoption of the word CO-OP by companies engaged in providing advertising services. I am therefore unable to accept the applicant's position that there has been widespread use of the word CO-OP in the relevant trade such as to render it non-distinctive. Although the opponent's trade-mark CO-OP is undoubtedly inherently weak, there does not appear to be a large number of other traders using CO-OP in the advertising services sector such that consumers would be accustomed to seeing that word in that sector.

In applying the test for confusion, I have considered that it is a matter of first

impression and imperfect recollection. In view of my conclusions above, and particularly in view of the resemblance between the marks of the parties and the potential overlap in their services and trades, I find that the applicant has failed to satisfy the onus on it to show that its proposed mark is not confusing with the opponent's two registered marks. Consequently, the second ground of opposition is also successful.

As for the third ground of opposition, Section 9(1) (d) of the Trade-marks Act reads as follows:

9. (1) No person shall adopt in connection with a business, as a trade-mark or otherwise, any mark consisting of, or so nearly resembling as to be likely to be mistaken for.....
(d) any word or symbol likely to lead to the belief that the wares or services in association with which it is used have received, or are produced, sold or performed under, royal, vice-regal or governmental patronage, approval or authority.....

The material time for considering the circumstances respecting this ground would appear to be the date of my decision: see Allied Corporation v. Canadian Olympic Association (1989), 28 C.P.R. (3d) 161 (F.C.A.).

It is the opponent's contention that the present case is analogous to that in Canadian Council of Professional Engineers v. Lubrication Engineers (1984), 1 C.P.R. (3d) 309 (F.C.T.D.). In that case, Mr. Justice Muldoon reversed an opposition decision and found that the trade-mark LUBRICATION ENGINEERS was not registrable pursuant to Section 9(1) (d) of the Trade-marks Act in view of the fact that the word "engineer" was regulated by statute. At page 326 of the reported decision, Mr. Justice Muldoon states as follows:

Thus, the word "engineer", falling under the prohibition of provincial and territorial laws of public order, when arrogated by an unlicensed or unregistered person in such a manner as to lead to the belief that he or she is legally authorized to bear that title, equally falls under the prohibition of para. 9(1) (d) of the Trade Marks Act because it is "a word...likely to lead to the belief that the wares or services in association with which it is used have received or are produced, sold or performed under...governmental...approval or authority". Canadians in large measure do rely, and are justly entitled to rely, upon and to believe in official acts or designations effected pursuant to governmental approval or authority. They are entitled to infer such authority from employment of the word "engineers" in a provincial professional sense as much as in a federal trade mark sense when it is officially approved for use in either circumstance.

The opponent contends that the same reasoning applies in the present case. The Canada Cooperative Associations Act (as well as numerous similar provincial statutes) regulates the use of the word "co-op" as a matter of public order. Section 33(2) of that Act precludes the use of that word by a person "other than an association" where it is used in connection with the conduct of that person's business in such a manner that "...he could reasonably be considered to be holding himself out as carrying on business on a cooperative basis." As discussed previously, the applicant's proposed use of its mark appears to offend that provision.

I do not agree with the decision of Mr. Justice Muldoon. Even if consumers viewing a lubrication product bearing the trade-mark LUBRICATION ENGINEERS would assume some connection with professional engineers, it is unlikely that they would assume that such

a product was produced or sold under governmental patronage, approval or authority. Furthermore, it is not clear that Mr. Justice Muldoon applied (or was even aware of) the test of resemblance in Section 9(1) of the Trade-marks Act - i.e. - "...any mark consisting of, or so nearly resembling as to be likely to be mistaken for...." "Consisting of" does not mean "including": see the opposition decision in Canadian Olympic Association v. Fraser Valley Milk Producers Cooperative Association (1989), 27 C.P.R.(3d) 115. And the test as a whole can be paraphrased as: "Is the applicant's mark identical to, or almost the same as, the prohibited word or symbol?": see the unreported opposition decision in The Ontario Federation of Anglers and Hunters v. Kevin Murphy (S.N. 604,436; December 31, 1990). Clearly, LUBRICATION ENGINEERS is not identical to ENGINEER and, in my view, the former is not almost the same as the latter. Presumably, Mr. Justice Muldoon felt otherwise although he did not specifically so state in his decision.

Although I disagree with the finding in the Lubrication Engineers case, unless it is clearly in error, I am obliged to follow it. In the present case, the word CO-OP falls within a federal statutory prohibition which has been enacted for the purposes of public order. If LUBRICATION ENGINEERS is almost the same as ENGINEER, then presumably CO-OP & Design is almost the same as CO-OP. Thus, for the reasons adopted by Mr. Justice Muldoon, it is arguable that I would be obliged to find that the applicant's mark offends the provisions of Section 9(1)(d) of the Act. However, in view of my findings respecting the first two grounds of opposition, it is unnecessary to make a final determination respecting the third ground. For the same reason, the final ground of opposition need not be considered.

In view of the above, I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 31st DAY OF July, 1991.

David J. Martin,
Member,
Trade Marks Opposition Board.