

IN THE MATTER OF AN OPPOSITION
by Flowers Direct Inc.
to application No. 713,035
for the trade-mark **FLOWERS DIRECT**
filed by Florists on Fourth, Inc.

On August 24, 1992, Florists on Fourth, Inc. filed an application to register the trade-mark **FLOWERS DIRECT**, for unspecified services based upon use in Canada since an unspecified date. A revised application was filed on September 18, 1992 for proposed use in association with "Communication services namely; operation of an online retrieval service providing referral information to callers of an 800 phone number". The mark was assigned the original application number and filing date, and was advertised for the purposes of opposition on July 28, 1993.

The opponent, Flowers Direct Inc., filed a statement of opposition on December 24, 1993, which was forwarded to the applicant on March 2, 1994. The first ground in the statement of opposition is that the applicant is not entitled to register the mark pursuant to the provisions of Section 16(3)(a) of the Trade-marks Act, R.S.C. 1985, c. T-13 (hereinafter, the Act) because, as of the applicant's filing date, the mark was confusing with the opponent's trade-mark **FLOWERS DIRECT**, previously used in Canada in association with a floral referral and delivery service. The second ground is that the applicant is not entitled to register the mark pursuant to the provisions of Section 16(3)(a) Act because, as of the applicant's filing date, the mark was confusing with the opponent's trade-mark **FLOWERS DIRECT**, previously made known in Canada in association with a floral referral and delivery service. The third ground of opposition is that the mark is not distinctive of the services of the applicant, in view of the above, and in view "...of the continuing use and notoriety of the opponent's mark **FLOWERS DIRECT** in Canada". The fourth ground is that contrary to Section 30(a) the applicant does not intend to use its proposed trade-mark in association with communication services, in that the service involved is not a communication service but is in the nature of a floral delivery service. The fifth ground is that the application does not conform to the requirements of Section 30(i) of the Act, in that the applicant cannot have been satisfied that it was entitled to use the trade-mark in Canada because of its knowledge of the use and promotion of the trade-mark **FLOWERS DIRECT** in Canada, and that prior to filing its application, the applicant had contacted the opponent concerning the latter's **FLOWERS DIRECT** service. The applicant filed and served a counter statement on March 10, 1994 denying the opponent's allegations.

The opponent filed as its evidence the affidavit of Donn F. Flipse dated October 6, 1994, together with the affidavit of Kerry Wicks dated October 4, 1994. The applicant filed the evidence of Marnie Frerichs dated May 10, 1995, Gary Jipp dated May 10, 1995 and Irene Tees dated May 10, 1995. As reply evidence, the opponent filed the affidavit of Donn F. Flipse dated October 6, 1995 together with the affidavit of Michael Harvey dated October 9, 1995. Only the opponent filed a written argument, and neither party requested an oral hearing.

As a preliminary matter, the application was filed on August 24, 1992 based on use in Canada, but lacked a complete statement of services and date of first use. The Trade-marks Formalities Section forwarded a letter to the agent for the applicant dated September 11, 1992 stating that "...your application may not receive a filing date of [sic] further processing until the following requirements are satisfied: A statement of services is required". The applicant filed a revised application on September 18, 1992, based on proposed use in association with the above mentioned services. In spite of the applicant amending the application from a "use" to a "proposed use" basis, the original application number and filing date were maintained. The opponent argues that the application was not properly filed until the basis for application and the associated services were specified. They contend that the filing date should be September 18, 1992.

Rule 25(a) of the Trade-marks Regulations (1996) sets out the following:

Subject to Section 34 of the Act, the date of filing of an application for the registration of a trade-mark is the date on which the following are delivered to the Registrar:

- (a) an application setting out the following information, namely,
 - (i) the name and address of the applicant,
 - (ii) the wares or services in association with which the trade-mark is proposed to be used, or has been used or made known, and
 - (iii) in the case of a trade-mark other than a proposed trade-mark,
 - (A) the date of first use or making known of the trade-mark in Canada, or
 - (B) the name of a country in which the trade-mark has been used and information respecting the registration or application for registration in a country of the Union on which the right to registration is based;

On July 27, 1992, prior to filing the original application, the applicant changed its name from Florists on Fourth, Inc. to Flowers Direct (Canada & USA) All Major Credit Cards Accepted Ltd. It could be said that at the original filing date of August 24, 1992, the applicant filed an application not only lacking a statement of services and date of first use, but also lacking the proper name of the applicant. Given that the original application did not comply with Rule 25, and the amendments made to the application changed the basis for the application, the application should not have received the earlier filing date. For

opposition purposes, I will consider the filing date to be September 18, 1992.

The first ground of opposition turns on the issue of non-entitlement under Section 16(3)(a) of the Act. It is incumbent on the opponent to evidence use of its mark in Canada prior to the applicant's filing date, and to show that its mark **FLOWERS DIRECT** was not abandoned as of the applicant's date of advertisement.

The opponent establishes in its evidence that it operates a referral and delivery network between approximately 600 retail florists in the United States in association with the trade-mark and trade name **FLOWERS DIRECT**. Mr. Flipse, the Chairman of the Board and President of Flowers Direct Inc. states that retail customers in Canada and the United States can place floral delivery orders, for delivery within the United States, by contacting his company through a toll free telephone line. This service has been offered to Canadians since December 1991, without the toll free service. However, it was not until September 1, 1992 that Canadians were able to place orders on Flower Direct's toll free telephone line. Between September 1, 1992 and December 31, 1992, 1756 calls were made to the opponent by Canadian customers. I have inferred that at least some of these calls were made prior to the applicant's actual application date of September 18, 1992.

Flowers Direct Inc. commenced advertising the trade-mark **FLOWERS DIRECT** in Canada in December of 1991 by placing television advertisements for its services on the Cable News Network ("CNN") and Headline News ("HN"). Evidence with respect to the broadcasting of the opponent's advertising is contained in the affidavit of Kerry Wicks. Kerry Wicks is the vice president, business development for Mediastats, a company which compiles data on the Canadian cable television industry. She shows that as of December 1991, CNN had over 2 million cable subscribers in Canada, and HN had over 1.3 million subscribers. By December of 1992 the number of Canadian subscribers had risen to over 5 million for CNN and over 2.2 million for HN. The opponent spent approximately \$96,410.00 (US\$) on this advertising in December 1991 alone, and over \$620,000 (US\$) on this advertising in 1992. I have inferred that a significant portion of this amount was spent before the material time.

It is important to assess the precise nature of the opponent's services, whether they were performed in Canada, and whether they were being performed in Canada at the

relevant date. For example, if the opponent's services are merely floral delivery, this has not been shown to have been performed in Canada. It would appear clear that delivery services within Canada were not available by the material date. In the decision in Porter v. Don the Beachcomber, (1966) C.P.R. 48, (Ex Crt) 280 it was said at p. 287

...Use in Canada of a trade-mark in respect of services is not established by mere advertising of the trade-mark in Canada coupled with performance of the services elsewhere but requires that the services be performed in Canada and that the trade-mark be used or displayed in the performance or advertising of such services.

Beginning in December of 1991, the trade-mark was advertised on the above-mentioned cable television channels for a floral referral service for delivery in the United States. Nevertheless, as Canadian consumers could not use the toll-free telephone number provided in the opponent's advertising in order to take advantage of the opponent's services, I do not believe that the trade-mark was actually in use in Canada at that date. However, by September 1, 1992 the toll-free number shown in those advertisements was available to Canadians. I have concluded that the trade-mark was in use in Canada in association with a floral referral and delivery service by September 1, 1992. The opponent has satisfied the burden on it to evidence use of its trade-mark **FLOWERS DIRECT** in Canada in association with floral delivery in the U.S. through access to a toll-free telephone line, prior to the applicant's actual filing date, and non-abandonment of that mark as of the applicant's advertisement date.

The material date for considering the circumstances respecting the issue of entitlement is as of the applicant's filing date, which I have determined for opposition purposes is September 18, 1992. The onus or legal burden is on the applicant to show no reasonable likelihood of confusion. In applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those set forth in Section 6(5) of the Act:

- 6.(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including
- (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
 - (b) the length of time the trade-marks or trade-names 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 or trade-names in appearance or sound or in the ideas suggested by them.
- R.S., c. T-10, s. 6.

The opponent's trade-mark **FLOWERS DIRECT** as a whole is highly suggestive or possibly descriptive of the opponent's services. The applicant's mark **FLOWERS DIRECT**

is also weak for the same reasons. Although the applicant's statement of services does not specifically refer to flowers, it is clear from the applicant's evidence that the delivery of flowers is central to the applicant's services.

The applicant states that they have provided the services set out in the application in association with the trade-mark **FLOWERS DIRECT** since May 1, 1992. The evidence filed by the applicant shows that the trade-mark was stamped on invoices for floral deliveries to customers in Ontario and the Western provinces in May of 1992. Ms. Frerichs also states that after May of 1993 she placed Yellow Pages™ advertisements across Canada, promoting her company as Flowers Direct. However, as I have no evidence with respect to the extent to which the mark had become known by the material time, I have inferred that it may have become known, but only to a limited extent. The opponent's evidence indicates that its trade-mark may have become known in Canada to a greater extent as it was being seen by between 2 and 5 million CNN subscribers by the relevant date. As a result, this factor favours the opponent.

With respect to the length of time that the trade-marks have been in use, the applicant states that it has used its mark since May 1, 1992, several months prior to the filing date of the proposed use application. As I cannot allow an applicant to rely on evidence which pre-dates a proposed use filing date, I have given no weight to the evidence of use prior to the September 18, 1992 filing date, in respect of establishing a date of first use. The opponent claims use in Canada since December of 1991. However, as it is an integral part of the opponent's services as advertised that they provide toll free telephone services, I do not consider the opponent's services to have been available until September of 1992 when the toll free service advertised by the opponent was available to Canadians. In any event, this factor favours the opponent.

The applicant's services are described as "communication services namely; operation of an online information retrieval service providing referral information to callers of an 800 phone number." The opponent's services are a toll-free service for floral delivery in the U.S. These services would appear to be related in as much as they are both telephone services. The channels of trade would also appear to be quite similar. The applicant's evidence indicates that the applicant would appear to be using the trade-mark in association with a floral delivery network. As evidence of actual use is relevant in

interpreting an application (see McDonald's Corp. et. al. v. Coffee Hut Stores Ltd. (1996) 68 C.P.R. (3d) 168 at p. 169 (FCA)), I have inferred that the applicant's services are related to the opponent's services, and that the channels of trade overlap.

With respect to the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them, the marks are identical.

In applying the test for confusion, it should be remembered that it is a matter of first impression and imperfect recollection. The marks are identical in appearance. Although the applicant's services appear on their face to be dissimilar to the opponent's services, the applicant's evidence suggests that the services may be virtually identical. In view of these conclusions, I find that the applicant has failed to satisfy the onus on it to show that there was no reasonable likelihood of confusion at the material date. The ground of prior entitlement based on the opponent's trade-mark **FLOWERS DIRECT** is therefore successful.

The second ground under Section 16(3)(a) relates to the opponent's mark being deemed made known under Section 5 of the Act. Although the opponent has provided evidence with respect to its television advertising in Canada, I am not convinced that it has met the burden on it to show that it had become well known in Canada by reason of this advertising prior to the applicant's actual filing date. As the opponent failed to show that its mark had become well known within the meaning of Section 5 prior to September 18, 1992, the second ground of opposition must fail.

The third ground of opposition relates to the alleged non-distinctiveness of the applicant's trade-mark, which turns on the issue of the likelihood of confusion between the applicant's trade-mark **FLOWERS DIRECT** and the opponent's trade-mark **FLOWERS DIRECT**. While the legal burden is on the applicant to establish the distinctiveness of its trade-mark, there is an initial evidential burden on the opponent to adduce sufficient evidence which would support the truth of its allegations relating to the alleged non-distinctiveness of the applicant's mark. The legal onus is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its services from those of the opponent and others throughout Canada (see Muffin Houses Inc. v. The Muffin House Bakery Ltd. (1985), 4 C.P.R. (3d) 272 (TMOB)). The material date for assessing the likelihood of confusion in respect of non-distinctiveness is the date of the filing of the

opposition, December 24, 1993. (see **Cellular One Group, a partnership v. Brown, now standing in the name of Bell Mobility Cellular Inc.** (1996), 69 C.P.R. (3d) 236 at 243 (TMOB)). The difference in the material date from that with respect to entitlement would not have any significant impact on the determination of the issue of confusion between the trade-marks of the parties. Thus, my finding above that the trade-marks at issue are confusing also applies to this ground of opposition. I find that the applicant has failed to show that the applied for mark was adapted to distinguish the applicant's services from those of the opponent at the material time, and therefore this ground is also successful.

The fourth ground of opposition is under Section 30(a) of the Act, namely that the applicant's statement of services "communication services namely; operation of an online information retrieval service providing referral information to callers of an 800 phone number," does not constitute a statement in ordinary commercial terms of the specific services in association with which the mark has been used, as the applicant's services are not a communication service but are in the nature of a floral delivery service. While the legal burden is on the applicant to show its compliance with the provisions of Section 30 of the Act, there is an initial burden on the opponent to produce sufficient admissible evidence in support of the allegation of non-compliance that has been pleaded (see **Joseph E. Seagram & Sons Ltd. v. Seagram Real Estate Ltd.** (1984), 3 C.P.R. (3d) 325 at p. 329 (TMOB)). The burden under Section 30 (a) is lighter than in the ordinary case because the nature of the services offered by the applicant are for the most part within its own knowledge. (see **John Labatt Ltd. v. Molson Companies Ltd.** (1990), 30 C.P.R. (3d) 293 at p. 298-300 (FCTD)).

The Chairman of the Opposition Board stated in **Sentinel Aluminium Products Co. Ltd. v. Sentinel Pacific Equities Ltd.** (1983), 80 C.P.R. (2d) 201 at 206 (TMOB) that Subsection 30(a) of the Act requires a measure of specificity in respect of services covered in a trade-mark application, where it is reasonable to expect that a more specific statement of services in ordinary commercial terms can be provided. It is apparent from a review of the applicant's evidence that this description of services could have been much more specific. The Frerichs affidavit shows that the applicant's services were intended to be "a Canadian network of retailers trading under the name Flowers Direct". There is no mention in the applicant's evidence of the operation of an information retrieval service or the operation of a referral service. Frerichs instead states that she "had been taking orders as

Flowers Direct” and that the services of her company Flowers Direct (Canada & USA) All Major Credit Cards Accepted Ltd. (formerly the applicant Florists on Fourth, Inc.) could be described as “those services associated with the operation of a flower shop or the services of a florist”. The Gipp affidavit refers to the proposed installation of a computer system for the Flowers Direct service, but it fails to explain how it is a “communication service”. In my opinion, the applicant’s statement of services is vague and imprecise as it lacks a specific indication as to what the referral service is with respect to. It is inconceivable, after considering the applicant’s evidence, that the applicant’s description of the proposed services does not include the word “flowers”, or “florist”. These specific details should have been included in the application in order to specifically define the applicant’s services.

The burden is on the applicant to show that its application is in compliance with Section 30. The applicant’s evidence does nothing more than to state that it has since May 1, 1992 carried on business in association with “communication services namely; operation of an online information retrieval service providing referral information to callers of an 800 phone number.” No serious effort was made to show compliance with Section 30(a) at the filing date of the application, and in fact the applicant’s own evidence appears to contradict the application. As the applicant did not attempt to clarify these matters or take the opportunity to amend the application, I find that this ground of opposition is also successful.

The final ground of opposition is under Section 30(i) of the Act, the opponent alleging that the applicant could not have been satisfied that it was entitled to use the trade-mark in Canada because of the applicant’s knowledge of the opponent’s trade-mark. Both the applicant and the opponent have filed evidence with respect to the applicant contacting the opponent concerning a possible business arrangement prior to the filing of the application. I find that this evidence is sufficient to meet the opponent’s initial evidential burden.

Ms. Frerichs states that she saw an advertisement by the opponent in the magazine *Florists’ Review* on 23 July 1992 soliciting florists to join the opponent’s network, prior to the filing date of the application. She states that she contacted the opponent on July 23, 1992 to inquire about its services. There is no indication that Ms. Frerichs or any other representative of the applicant had seen the opponent’s television advertising prior to the filing date of the application. In fact, the evidence would appear to indicate that Ms. Frerichs

was advised by the opponent that its services were not yet available in Canada. It is conceivable that Ms. Frerichs was under the impression that the applicant was the first to actually use this trade-mark in Canada, as a result that the applicant was entitled to use the mark in Canada. I am in agreement with the opponent that there are a number of inconsistencies in the applicant's evidence (such as the Tees statement that the original application was forwarded to the Trade-mark Office on July 28, 1992 by depositing a copy with the Edmonton office of Consumer and Corporate Affairs, which conflicts with the fact that the application is dated July 31, 1992, and the fact that the original application application was not stamped received by Consumer and Corporate Affairs until August 24, 1992). However, without the applicant having been provided with the opportunity to explain these inconsistencies by way of cross-examination, and where it is not contradicted by the opponent's evidence, I have taken the Ms. Frerich's evidence at face value. Although Mr. Harvey's evidence indicates that Ms. Frerichs' recollection of her inquiries into the opponent's services may not be entirely accurate, I am not convinced that the applicant was not satisfied at the date of filing the application that it was the person entitled to use the applied for trade-mark in Canada. As a result, this ground of opposition must fail.

Having been delegated by the Registrar of Trade-marks pursuant to Section 63(3) of the Act, I refuse the applicant's application pursuant to Section 38(8) of the Act.

DATED AT HULL, QUEBEC, THIS 4th DAY OF DECEMBER, 1997.

Peter C. Cooke,
Member,
Trade-marks Opposition Board