



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

Citation: 2011 TMOB 29
Date of Decision: 2011-02-14

**IN THE MATTER OF AN OPPOSITION
by 990982 Ontario Inc., doing business as
Laurier Optical, to application
No. 1,287,690 for the trade-mark TRI
OPTICAL & Design in the name of
1663158 Ontario Inc.**

[1] On January 27, 2006, 1663158 Ontario Inc. (the Applicant) filed an application to register the trade-mark TRI OPTICAL & Design (the Mark) based on proposed use in Canada. The Mark, shown below, has been applied for registration in association with “optical frames for eyeglasses and sunglasses; cases, desktop holders, pouches with cleaning cloths sold as a unit, chains, and cords all for eyeglasses and sunglasses” (the Wares) and in association with the “operation of a business dealing in the retail sales of eyeglasses, eyeglass lenses, eyeglass frames, contact lenses, sunglasses, optical accessories, and accessories relating to the cleaning, care, and maintenance of eyeglasses and contact lenses” (the Services).

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TRI OPTICAL

[2] As provided by the Applicant, the translation of the four Chinese characters, from left to right, is true, light, eye, mirror; the transliteration of the Chinese characters in the same order in Cantonese is CHUN KWONG NGAAN GENG and in Mandarin is CHUN KWONG YAN JING.

[3] The Applicant disclaimed the right to the exclusive use of OPTICAL apart from the Mark.

[4] The application was advertised in the *Trade-marks Journal* of July 26, 2006.

[5] On December 22, 2006, 990982 Ontario Inc. doing business as Laurier Optical (the Opponent) filed a statement of opposition. On March 9, 2007, the Applicant filed a counter statement and requested a ruling on the sufficiency of certain paragraphs of the statement of opposition. The Applicant's request led the Opponent to request leave to file an amended statement of opposition on April 12, 2007. On April 24, 2007, the Registrar granted leave to file the amended statement of opposition pursuant to r. 40 of the *Trade-marks Regulations*, SOR/96-195 (the Regulations) and ruled on the Applicant's request of March 9, 2007. The grounds of opposition, as set forth in the statement of opposition of record, can be summarized as follows:

- a. Pursuant to s. 38(2)(a) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act), the application does not conform to the requirements of s. 30(e) of the Act, and more particularly:
 - i. to the requirements of s. 30(e) of the Act as the Applicant did not intend to use the Mark in association with each of the Wares and Services;
 - ii. to the requirements of s. 30(i) of the Act as the Applicant could not be satisfied that it was entitled to use the Mark because the Applicant, through its director Edward Huan Khoi Tri, was well aware of the existence of the Opponent's trade-mark and trade-name, described in the statement of opposition, and of the Opponent's continued use thereof, given his franchisee and guarantor relationship with the Opponent or the Opponent's predecessor in title.
- b. Pursuant to s. 38(2)(b) of the Act, the Mark is not registrable since:
 - i. pursuant to s. 12(1)(c) of the Act, the Mark is comprised of the name in Chinese of the Wares and Services, in that the last two Chinese characters should translate, in context, to "eyewear";
 - ii. pursuant to r. 29 of the Regulations, the translation into French or English and the transliteration of the Chinese characters included in the application

are false and/or misleading, in that the last two Chinese characters should translate, in context, to “eyeglass” and not “eye” and “mirror” as stated by the Applicant.

c. Pursuant to s. 38(2)(c) of the Act, the Applicant is not the person entitled to registration since:

i. pursuant to s. 16(3)(a) of the Act, at the relevant date, the Mark was confusing with the trade-mark TRUE VISION & Design of application No. 1,291,245, shown hereafter,

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previously used in Canada by the Opponent “directly or through its predecessors in title or licensee” in association with “the sale of eyewear, optician services, optical laboratories, optometry services, eye exam clinic”;

ii. pursuant to s. 16(3)(c) of the Act, at the relevant date, the Mark was confusing with the trade-name, shown hereafter,

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previously used in Canada “by the Opponent or its predecessor in title or licensee” in association with “the sale of eyewear, optician services, optical laboratories, optometry services, eye exam clinic”.

d. Pursuant to s. 38(2)(d) of the Act, the Mark is not distinctive within the meaning of s. 2 of the Act.

[6] As its evidence pursuant to r. 41 of the Regulations, the Opponent filed the affidavit of Antranik Kechichian, dated October 9, 2007, with Exhibits A through I. Mr. Kechichian was cross-examined by the Applicant. The transcript of the cross-examination was filed on March 20, 2008 and the replies to undertakings were filed on July 22, 2008.

[7] As its evidence pursuant to r. 42 of the Regulations, the Applicant filed the following:

- an affidavit of Edward Huan Khoi Tri, dated November 21, 2008, with Exhibits “A” through “H”;
- an affidavit of Roberto Zanchetta, dated November 19, 2008, with Exhibits “A” through “C”;
- an affidavit of Taiji Yoshino, dated November 20, 2008, with Exhibits “A” through “D”; and
- an affidavit of Christopher Tan, dated November 20, 2008, with Exhibit “A”.

[8] Only the Applicant filed a written argument. Both parties were represented at an oral hearing.

Preliminary Issues

[9] I am addressing hereafter two issues arising from the oral hearing.

Request for Leave to File Further Evidence

[10] At the oral hearing, the agent for the Applicant requested leave to file a certified copy of application No. 1,291,245 in the name of the Opponent, as evidence pursuant to r. 44(1) of the Regulations. I hereby confirm my oral decision to refuse the Applicant’s request. Having regard to the surrounding circumstances, I am not satisfied that it is in the interests of justice to grant the Applicant’s request. Though there appears to be no element of surprise or prejudice to the Opponent, it remains that the request was made at the stage of the oral hearing. I am not satisfied that the proposed evidence could not have been filed earlier - the Opponent’s application was identified in the statement of opposition and was brought up during the cross-examination of Mr. Kechichian. Finally, I do not consider the proposed evidence to be of importance in the present proceeding since application No. 1,291,245 does not form the basis of a ground of opposition.

Exhibits to the Cross-Examination Transcript

[11] At the oral hearing, I mentioned to the Applicant's agent that while the transcript of the cross-examination listed seven exhibits, none had been filed with the transcript. On September 8, 2010, after the oral hearing, the Applicant requested leave to file the exhibits submitting that the omission to file the exhibits with the transcript "was completely an unintentional oversight". By letter dated September 28, 2010, the Opponent was invited to advise the Registrar whether it had any objections to the Applicant's request. The Opponent sent a letter dated October 19, 2010 merely stating that it objected "to the admission of the exhibits as the time for filing has passed".

[12] I would remark that according to my review of the transcript, counsel for the Opponent did not object to the exhibits submitted during the cross-examination. Thus, there is no element of surprise or prejudice to the Opponent. Further, r. 44(2) of the Regulations provides that cross-examinations in opposition proceedings are conducted on such terms as the Registrar may direct. Given the particular facts of this case, I hereby grant the Applicant's request of September 8, 2010 and therefore the exhibits filed with the Applicant's request are made of record.

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[13] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist. Once this initial onus is satisfied, the Applicant has the burden to prove that the particular grounds of opposition should not prevent registration of the Mark [see *John Labatt Ltd v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.); *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.) and *Wrangler Apparel Corp. v. The Timberland Company* (2005), 41 C.P.R. (4th) 223 (F.C.)].

[14] I shall review the evidence of record before analyzing the grounds of opposition.

Review of the evidence

Preliminary Remarks

[15] To better understand my review of the evidence of record, I would remark that the Opponent and Mr. Edward Huan Khoi Tri, the owner of the store operated by the Applicant, are not strangers. Mr. Tri was employed part-time by the Opponent as a laboratory technician in 1994-1995. As the principal of 1120931 Ontario Ltd. (1120931), Mr. Tri became one of the Opponent's franchise operators in Ottawa's Chinatown in 1995; the four Chinese characters found in the Mark were used in the operation of the franchise store by 1120931. In January 2006, Mr. Tri decided to terminate his franchise relationship with the Opponent and to form the Applicant to operate a new independent store under the name Tri Optical with the Chinese characters; the grand opening of the store was May 1, 2006.

[16] The parties' contentions as to the rights in and to the Chinese characters used in the operation of the franchise store by 1120931 are central to the issues arising in the present proceeding.

Opponent's Evidence

[17] As a first matter, I note that I will refer to the cross-examination of Mr. Kechichian only insofar as it is relevant to my review of his affidavit as well as to the issues and the parties' arguments.

[18] Paragraph 2 of the Kechichian affidavit reads as follows:

I am the President of 990982 Ontario, Ltd., doing business as Laurier Optical (hereinafter referred to as "990982"), which head office is located at 1811 St-Joseph Boulevard, Orleans, Ontario, K1C 7C6 and I have held this position since at least as early as 1992. A copy of the certificate of incorporation of this company is hereby attach (*sic*) as Exhibit A.

[19] I note that the certificate of incorporation [Exhibit A] identifies the numbered company 990982 Ontario *Inc.* However, a fair reading of Mr. Kechichian's affidavit combined with his cross-examination leads me to conclude that his reference to 990982 Ontario, *Ltd.* in paragraph 1 should have read 990982 Ontario *Inc.* and thus is a reference to the Opponent.

[20] Paragraph 3 of the Kechichian affidavit reads as follows:

I am also the President of 1101465 Ontario Ltd., a subsidiary of 990982, doing business as Laurier Optical (hereinafter referred to as “1101465”), which head office is also located at 1811 St-Joseph Boulevard, Orleans, Ontario, K1C 7C6 and I have held this position since at least as early as the year 1995. A copy of the certificate of incorporation of this company is hereby attach (*sic*) as **Exhibit B**.

[21] The Kechichian cross-examination confirms the corporate relationship between 1101465 Ontario Ltd. (1101465) and the Opponent [Q9-Q12, U1]. It also explains the Opponent’s franchise concept, as summarized by the following excerpt [Q6-Q8, Q28]:

Q. Will you tell me the relationship between [the Opponent] and [1101465]?

A. Well, we have a special concept in franchising our stores and licensing our stores which goes as following: 990982 it’s the main company. It’s some other company of all the companies and usually when we franchise a store, you know, we create a new company to sign the lease, then that company subleases the new franchisees and then they sign the Franchise Agreement with him. So sometimes it could be that company, sometimes it could be the head office, but that’s how it works. [...]

Q. So in your franchising practice there’s always the first company which is the mother company as you referred to, which is 990982 Ontario Inc, and then for each franchisee you would create a separate company?

A. Exactly.

Q. In this case, [1101465]. And specifically in this case for the franchisee being operated in Chinatown?

A. Yeah. It’s like kind of, you know, we created one for another company which in case it happens any problem, we don’t want none at all to be disturbed.

[...]

Q. [...] When the franchise arrangement terminates what happens to [the company created to sign the lease]?

A. [...] we get maybe six months or a year to see if everything is in order, then we maybe close it. It depends on the situation because in every transaction a different situation.

[22] According to Mr. Kechichian’s testimony, the Opponent and 1101465 each operates as Laurier Optical [Q13], which is a brand name of which use is licensed to each franchisee [Q17]. The Opponent makes “a letter [...] to the company which is operating, authorizing it to operate as Laurier Optical” [Q30]. The choice of True Vision in Chinese for the Chinatown store was a special situation [Q14]. I will discuss later the evidence introduced through the Kechichian cross-examination with respect to the choice and ownership of the Chinese characters for the Chinatown store.

[23] I reproduce hereafter paragraph 5 of the Kechichian affidavit:

I am well aware of [990982] and [1101465] day-to-day operations in Canada and the trade-marks owned and used by said companies in the eyewear industry. Most particularly, I am aware of the use of the trade-mark True Vision & Design in Chinese characters (hereinafter referred as to *(sic)* “TRUE VISION”), as represented below, used by said companies since at least as early as 1995 in association with eyewear products, eye exams and eye care services:

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[24] I shall refer throughout my decision to the trade-mark TRUE VISION in Chinese characters, as illustrated in the Kechichian affidavit, as the Cited Mark.

[25] At this time, I note that although the four Chinese characters forming the Cited Mark appear to me as being *similar* to the Chinese characters found in the Mark, they do not appear to me as being *identical*. It could be that the exact shape of Chinese characters varies depending on the typeface, as it does for the French or English alphabet. In any event, when considering the Chinese characters shown in exhibits to the Kechichian affidavit and cross-examination as well as in replies to undertakings, I will note whether they appear to me as being the Cited Mark or the Chinese characters found in the Mark.

[26] On cross-examination, Mr. Kechichian confirms that the mention “said companies” in paragraph 5 of his affidavit refers to the Opponent and 1101465 [Q34]. When asked about the “proportion of usage” of the Cited Mark by the Opponent, the first company, and by 1101465, the second company, Mr. Kechichian testifies that the Opponent is the head office [Q39]. The Opponent does not sell eyewear to the customers. It purchases the products on behalf of 1101465; it “does the deals, and the packages, and the negotiations, and the advertising and the marketing of the store” [Q40]. When asked whether the Opponent gave a licence to 1101465 for the use of the Cited Mark, Mr. Kechichian testifies: “It’s not the Licence Agreement, it’s a written authority; permission call it. It’s a letter we give written.” [Q36].

[27] In reply to undertakings, the Opponent indicates that it has no written licence agreement with 1101465 for the use of the trade-mark LAURIER OPTICAL and of the Cited Mark; Mr. Kechichian, President and Director of both companies, oversees all use of these trade-marks for both companies [U2-U3].

[28] At paragraphs 7 and 8 of his affidavit, Mr. Kechichian states:

7. 1101465, as Franchisor, was part of a Franchise and Sublease Agreement dated May 15, 1995 with 1120931 Ontario Ltd. (Franchisee) and Mr. Huan Khoi Tri (Guarantor of the Franchisee). A copy of said Franchise and Sublease Agreement is attached herewith as Exhibit C.
8. The above mentioned Franchise and Sublease Agreement was renewed by tacit agreement between all parties until the signature of a second Franchise and Sublease Agreement dated May 1st, 2005 between 990832 (Franchisor), 1120931 Ontario Ltd. (Franchisee) and Huan Khoi Tri (Guarantor of the Franchisee). A copy of this second Franchise and Sublease Agreement is attached herewith as Exhibit D.

[29] I note that Mr. Kechichian does not define the designation 990832 found in paragraph 8 and subsequent paragraphs of his affidavit. However, a fair reading of the affidavit combined with the cross-examination leads me to conclude that the designation 990832 throughout the affidavit should have read 990982, and thus is a reference to the Opponent.

[30] Additional copies of the Franchise and Sublease Agreement of May 15, 1995 (the 1995 Agreement) for premises located at 621 Somerset Street West, Ottawa (the 621 Store) were filed as Exhibit 1 to the transcript and in reply to an undertaking [U6]. Although both copies are identical, they differ from the copy appended to the Kechichian affidavit [Exhibit C] in that the latter does not include Schedules “A” through “C”. Likewise, a copy of the Franchise and Sublease Agreement of May 1, 2005 (the 2005 Agreement) for premises located at 752 Somerset Street West, Ottawa (the 752 Store) was filed as Exhibit 2 to the transcript; it does not differ from the copy appended to the Kechichian affidavit [Exhibit D].

[31] As mentioned above, Mr. Kechichian states that the 1995 Agreement was renewed by tacit agreement until the signature of the 2005 Agreement. He states that the application for the Mark was filed by the Applicant when 1120931 and Mr. Tri “were still obligated” to the

Opponent under the 2005 Agreement [par. 17]. He further states that soon after the filing of the application for the Mark, 1120931 and Mr. Tri requested the termination of the 2005 Agreement [par. 18].

[32] The 1995 Agreement and the 2005 Agreement (sometimes referred to hereafter collectively as the Agreements) were lengthily discussed during the Kechichian cross-examination. Although the parties are not debating that the 1995 Agreement was renewed for a second term expiring January 31, 2005 [U8], they appear to debate its renewal at the expiration of the second term. I find the following excerpt of the cross-examination, though lengthy, allows one to fully appreciate the Opponent's position [Q169-Q181]:

Q. You would agree with me then, [...] after the end date of that renewal and since [...] the second Agreement was not entered into -- there was no more agreement between you and Mr. Tri?

A. You mean the second --

Q. The May 1st, '05 Agreement was not entered into.

A. No, no. He didn't sign.

Q. So my question to you is that you would agree with me that there was no more franchise arrangement or relationship with Mr. Tri?

A. No.

Q. Okay.

A. But since he didn't sign I don't think you can have an agreement.

Q. I'm referring you to paragraph 17 [...] of your Affidavit. [...].

I just heard from you that there was no 2005 franchise and sublease agreement.

A. Yes, but there was a gentleman agreement because Eddie never told me that he's breaking the Agreement. You know, when he broke the Agreement it was a dry letter I received from his lawyer. I don't know the date now that, "Oh, we're not signing a franchise agreement". That's where everything stopped. Until then --

Q. You just agreed with me [...] that there was no agreement and now you are saying that there is a gentleman agreement.

A. No. When you are talking to -- like we are talking paperwork here or we're talking about agreement between me and Eddie? That's --

Q. So you are relying on some kind of perhaps verbal, perhaps non-verbal but not written agreement, but there was still an agreement?

A. When he pays his franchise fees and his royalties which means there's still an agreement that he was paying.

Q. And on the face of paragraph 17 the black letters suggest that it was still under [the 2005 Agreement]?

A. Because he was respecting his commitments and he was paying his franchise fees. That's why we considered him that he's still a franchise.

Q. You just answered on the record that there was no [2005 Agreement] entered into. [Opponent's counsel]: Signed

[Mr. Kechichian]: Signed. Depending on how you asked me the question though. You asked me the question if I had a signed agreement. I said, “No, we didn’t have a signed agreement”. Now, did we have a good-faith agreement? I think yes.

Q. The record will show that there was no 2005 franchise agreement being signed by the parties.

A. I’m not saying that there is one.

Q. And yet your paragraph 17 clearly indicated that there is an existing agreement. Paragraph 18, again, along a similar line, requested the termination of [the 2005 Agreement], and you just -- and so on the record there was no signed agreement and yet in 18 you said that they are under obligation as requested the termination of [the 2005 Agreement].

A. So what’s your question now?

Q. I’m just pointing out the inconsistencies here whereby in paragraph 18 you said that [the Applicant for the Mark] requested the termination of [the 2005 Agreement]. This is what you said in this paragraph when you told me just now that there was no executed signed agreement.

A. You see, as long as he’s paying his fees while I was dealing with him in good faith, I caused him to be as a franchisor – as I told you, the first time your client Eddie told me that he’s no longer a franchisor with a very dry letter and until today he never saw me by face this man – he send me a very dry letter from his lawyer [...] and that’s where it stopped at all.

Now, I don’t have the date here. It doesn’t say it, unfortunately, so since that date it was the big shock for us that’s what’s happened, why?

Q. [...] this is not what this paragraph 18 said.

A. So I don’t want to play with words and be playing with words because I don’t have a calendar on me, but that’s what’s happening.

[33] In reply to an undertaking, the Opponent maintains that 1120931 “remained in [the 621 Store] until at least April 2005, and then moved to [the 752 Store], always acting and carrying on business as a Franchise of the Opponent” [U7].

[34] At this time, I wish to revert to the Kechichian cross-examination with respect to the choice of True Vision in Chinese. Based on my reading of the cross-examination transcript, I would summarize Mr. Kechichian’s relevant testimony as follows: the 621 Store was opened a month or two before the signature of the 1995 Agreement on May 15, 1995 [Q56-Q58]. On May 5, 1995, Mr. Kechichian was asked by Mr. Tri to use the name True Vision in Chinese for the 621 Store because some Chinese people could not read English and the name Laurier Optical. The 621 Store did not have the name True Vision in Chinese prior to Mr. Tri’s request. A name could not be added to Laurier Optical without permission. Mr. Kechichian authorized the name True Vision in Chinese and arranged for the sign to be made; he put up the sign on the window. There were witnesses to his authorization and to him putting up the sign. All of this was done

through a verbal agreement [Q78-Q93]. Mr. Kechichian was given three or four English translations for the Chinese characters; he understood from day one that they are not a direct translation of Laurier Optical [Q96-Q99].

[35] Since the Chinese trade-name shown in the statement of opposition is identical to the Cited Mark, I conclude that Mr. Kechichian's oral testimony relates to the choice of True Vision in Chinese as both the trade-name and the Cited Mark. That being said, it appears to me that the Opponent's evidence largely, if not only, relates to the use of True Vision in Chinese as the Cited Mark. Indeed, none of the statements in the Kechichian affidavit is directed to use of True Vision in Chinese as a trade-name. In my opinion not distinguishing whether the evidence relates to the Chinese characters for True Vision as the Cited Mark or as the trade-name alleged in the statement of opposition results in ambiguities. As ambiguities should be resolved against the Opponent [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.)], I consider that the evidence relates solely to the Cited Mark.

[36] According to Mr. Kechichian's oral testimony, the Opponent owns True Vision in Chinese given his verbal agreement with Mr. Tri and because before franchising the store, Mr. Tri was an employee of the Opponent and had "never been in business in his lifetime"; he "had no trade-marks or he had no ideas" [Q94]. Insofar as Mr. Kechichian is concerned, True Vision in Chinese belongs to Laurier Optical and comes back to Laurier Optical at the termination of the franchise agreement [Q122]. The following excerpt of the cross-examination summarizes the basis of Mr. Kechichian's assertions [Q128]:

[...]

[Mr. Kechichian]: So what I'm trying to say here is my mark or brand name, or whatever you want to call it, has been used under my roof which was a franchise for ten years and has been advertised with my money for ten years and that makes it part of Laurier Optical, a brand name, a mark. He cannot, Mr. Eddie, who would never have a business before in his life, because he was an employee of ours before, come and tell me this mark belongs to him suddenly. That doesn't make any sense to me.

[37] When asked on cross-examination if "the term marks in the context of [the 1995 Agreement] only refers to 'Laurier Optical'", Mr. Kechichian said: "Well, yes and no, because marks isn't us. You can define it like this. I can define it it's more than one mark." [Q126].

[38] At paragraph 10 of his affidavit, Mr. Kechichian reiterates that the Cited Mark has been used since at least 1995 by 1101465 and the Opponent, directly or through 1120931. He further states that the Opponent still uses the Cited Mark in association with eyewear, eye exams and eye care services. He goes on to state at paragraph 11:

Said use of the [Cited Mark] by 1101465 and [the Opponent] was first made through [1120931], the whole with the full knowledge of [Mr. Tri], since at least as early as 1995, by affixing the [Cited Mark] to eyeglass cases and cleaning clothes, advertisements in newspaper and window display, the whole in association with optical services comprising the sale of eyewear, optician services, optical laboratories, optometry services and eye exam clinic, which services were provided in the store situated at 621 Somerset Street West, Ottawa, Ontario.

[39] Mr. Kechichian files pictures of an eyeglass case and eyeglass cleaning cloth to show use of the Cited Mark “during the term of the first and second Franchise agreements by [1120931] for the benefit of 110465 and the Opponent” (my underlining) [par. 12, Exhibit E]. I note that the Chinese characters displayed on the eyeglass case and cleaning cloth - below a logo comprising the words Optique LAURIER Optical - are seemingly the Chinese characters found in the Mark.

[40] Mr. Kechichian files copies of an advertisement page in a “Chinese language newspaper published on March 1995” [par. 13, Exhibit F] as well as of advertisements in *The Capital Chinese News* of April 1, 1995 [par. 14, Exhibit G] and June 1995 [par. 15, Exhibit H]. These advertisements are filed as specimens showing use of the Cited Mark by 1101465 or the Opponent. I note that Mr. Kechichian did not identify the newspaper in which the advertisement filed as Exhibit F was published. Further, Mr. Kechichian’s written testimony does not constitute reliable evidence to show the extent of circulation of *The Capital Chinese News*. Finally, I do not consider this to be a case where I could take judicial notice that *The Capital Chinese News* is a major daily newspapers of a major Canadian city having a substantial circulation [see *Northern Telecom Ltd. v. Nortel Communications Inc.* (1988), 14 C.I.P.R. 104 (T.M.O.B.)].

[41] Insofar as the aforementioned advertisements are concerned, I note that the Chinese characters shown at the top of each advertisement appear to be the Chinese characters found in the Mark. Although I can read the date April 1, 1995 for Exhibit G, I cannot read the dates for Exhibits F and H - they appear to be in Chinese language. During cross-examination, counsel for the Applicant seemingly questioned the basis of Mr. Kechichian’s statement that the

advertisement filed as Exhibit H is dated June 1995; counsel noted that Exhibit H “does not say a year” and “the Chinese date is March 1st” [Q285-Q286]. In reply to an undertaking, the Opponent states that the date of Exhibit H “shown as being 95/3/1” is interpreted as March 1, 1995 [U14]. I would observe that based on my reading of the transcript [Q287-295], counsel for the Applicant seemed to have laboured the point that though Mr. Kechichian’s written testimony seems to the effect that the Cited Mark was shown in advertisement predating the 1995 Agreement, his oral testimony suggests that the name True Vision in Chinese did not exist before May 1995.

[42] On cross-examination, Mr. Kechichian describes the types of advertising under the franchise arrangements as “cooperative advertising orchestrated by the franchisor” and “local advertising initiated by the local franchisee with the authorization from the franchisor” [Q204]. Any local advertising undertaken directly by the franchisee without authorization “would be breaching (*sic*) the contract” [Q218]. Cooperative advertising includes mass advertising that benefits all franchisees as well as local cooperative advertising, only targeting one specific location [Q206-Q207, Q213-Q215]. The Opponent sometimes pays for local advertising that is undertaken directly by the franchisee for the benefit of the franchisee’s location [Q215]. On cross-examination, Mr. Kechichian was asked for an approximate breakdown between the Opponent’s cooperative advertising, vis-à-vis the franchisee’s own advertising for the 621 Store between 1995 and 2005 [Q199-Q200]. In reply to an undertaking, the Opponent indicates that it does not have record of the proportion of franchisor and cooperative advertising for the 621 Store. The Opponent adds that it “estimates at 5% to 10% the proportion of *franchisor* advertising over cooperative advertising” [U9]. I would observe that I am somewhat puzzled by the reply to the undertaking. Indeed, I understand “franchisor advertising” and “cooperative advertising” to be one and the same. Therefore, unless the reference to *franchisor* was meant as a reference to *franchisee*, it is unclear to me how the reply addresses the question on the breakdown between the Opponent’s cooperative advertising, vis-à-vis the franchisee’s own advertising. If the aforementioned reference to *franchisor* was indeed meant as a reference to *franchisee*, then the reply addresses the question, in that the Opponent would estimate at 5% to 10% the proportion of the franchisee’s own advertising over cooperative advertising.

[43] On cross-examination, Mr. Kechichian testifies that the Opponent monitors and controls the use of trade-marks, including the Cited Mark, in advertisement undertaken by a franchisee; it does so “with all franchise and especially with Somerset because it’s the Chinese language” [Q216-Q227]. Copies of “letters and memos” sent by the Opponent were filed in reply to an undertaking to provide records of control [U12]. Insofar as these “letters and memos” are concerned, I note that: (i) they appear to relate to advertisements without prior consent or approval of Laurier Optical; (ii) they are all signed by Mr. Kechichian; (iii) two are addressed “To: Eddy Tri”; and (iv) one, dated June 26, 2002, is addressed to Roberto Zanchetta. I recall that Mr. Zanchetta is one of the Applicant’s affiants.

[44] In addition to the ads filed with the Kechichian affidavit, copies of all advertising found for the 621 Store and later the 752 Store were submitted in reply to an undertaking with respect to corporate advertising [U10]. I note that none of these ads displays Chinese characters.

[45] Copies of “other advertisement targeting Chinatown, including references to [the 621 Store] and [the 752 Store] and more recently the store located at 725 Somerset” were submitted in reply to an undertaking [U11]. Insofar as these advertisements are concerned, I note that the first one appears to correspond to the advertisement appended as Exhibit H to the Kechichian affidavit. As for the remaining advertisements, I note the following:

- not all of them show a date; when a date is shown, in most instances it is hand written above the advertisement;
- in general, the name of the newspaper or publication in which the advertisement appeared is not shown; in most instances where the name is shown, it is hand written;
- although all the advertisements display Chinese characters, there are many instances where the Chinese characters do not appear to me as corresponding to either the Cited Mark or the Chinese characters found in the Mark. I find it reasonable to conclude that in those instances the Chinese characters are intended as ordinary written text;

- advertisements where I see Chinese characters corresponding to the Cited Mark appear to have been published during the years 2006 through 2008; the earliest dated advertisement seems to be one of May 12, 2006.

[46] The reply to undertakings regarding advertisement leads me to turn to the store located at 725 Somerset (the 725 Store). This *third* store is discussed in the Kechichian affidavit and cross-examination. It must be noted that during the cross-examination, counsel for the Opponent noted that the reference to the 621 Store both in paragraphs 16 and 18 of Mr. Kechichian's affidavit was meant as a reference to the 725 Store [pp. 101, 103-104 of the transcript].

[47] According to the Kechichian affidavit and cross-examination, the 725 Store is a corporate store that belongs to Laurier Optical; it is not a franchise store [Q301-Q303]. The 725 Store was opened after the relationship with Mr. Tri was terminated; it is in operation since "at least as early as May 6, 2006" [Q304, U15]. The Cited Mark is still used in the window display of the 725 Store [par. 16 as corrected]. Exhibit I to the Kechichian affidavit is a picture of the window display taken during the week of May 10, 2006. I note that the window display shows the Cited Mark. In reply to undertakings to provide copies of advertising pertaining to the opening of the 725 Store and of cooperative ads in Chinese media listing the 725 Store, the Opponent refers to its reply to U11 [U16-U17]. The Opponent replies to an undertaking to provide a copy of ads targeting other ethnic groups by indicating: "Although not considered an 'ethnic' group, the Opponent refers to French ads that are included in Undertaking 10."

[48] On cross-examination, Mr. Kechichian was shown ads published in *Canada China News* on August 26, September 9 and October 7, 2005 [Exhibits 5A through 5C]. I reproduce hereafter part of the relevant excerpt [Q318-Q320]:

Q. [...] Will you agree with me that those three examples of advertisements all indicate that the Somerset Street 725, your corporate store, is part of the store you operate under on those ads?

A. Yeah. You mean is this ads related to my store? You mean 725?

Q. 725 Somerset is listed as one of the stores in those ads.

A. Sure. Yeah.

Q. And so are many other stores?

A. Yes.

[49] Though each of these ads shows different store addresses in Ottawa, I do not see among them the address for the 725 Store. However, I see the address for the 752 Store. Hence, I am questioning whether the above-noted reference to the 725 Store by counsel for the Applicant was meant as a reference to the 752 Store. In any event, though these three ads display Chinese characters, none appears to be either the Cited Mark or the Chinese characters found in the Mark. Once again, I find it reasonable to conclude that the Chinese characters shown in these advertisements are intended as ordinary written text.

[50] Mr. Kechichian states that the Applicant, under the direction of Mr. Tri, is now using the Mark in a business directly in front of the 725 Store where the Cited Mark had been used and is still used [par. 18 as corrected].

[51] Mr. Kechichian concludes his affidavit by opining that the Applicant could not be satisfied that it is entitled to use the Mark [par. 19]. He also opines on confusion between the Mark and the Cited Mark [par. 20]. I would remark that it appears from his cross-examination that Mr. Kechichian does not have any knowledge of the Chinese language [Q96]. In any event, I find that the opinions expressed by Mr. Kechichian are conclusions in law to be decided by the Registrar and therefore inadmissible.

[52] In concluding my review of the Opponent's evidence, I want to revert to the Kechichian cross-examination during which counsel for the Applicant brought up application No. 1,291,245 claiming use of the Cited Mark since at least as early as May 1995 [Exhibit 4]. Counsel for the Applicant also brought up a previously filed application (No. 1,289,288) claiming use of the Cited Mark since at least as early as May 2005 [Exhibit 3] and voluntarily abandoned by the Opponent [U13]. I find the line of questioning about application No. 1,291,245 to be of no assistance to the Applicant's case [Q228-Q238]. First, the said application does not form the basis of a ground of opposition in the present proceeding. In addition, it is the Applicant's right to the registration of the Mark in association with the Wares and Services that is at issue in the present proceeding, not whether the Opponent is entitled to register the trade-mark which is the subject of application No. 1,291,245.

Applicant's Evidence

Affidavit of Edward Huan Khoi Tri

[53] As a first matter, I note that Mr. Tri's testimony is to the effect that the Chinese characters found in the Mark correspond to the Chinese characters used by 1120931 in the operation of the franchise store. I further note that Mr. Tri refers throughout his affidavit to the Chinese characters as either the Chinese name or the Chinese mark. Hence, in my review of the Tri affidavit, I will refer to either the Chinese name or Chinese mark so as to use the same terminology as the one used by Mr. Tri.

[54] Mr. Tri identifies himself as follows [par. 1]:

I was the principal of a franchisee store between 1101465 Ontario Inc. (operating as Laurier Optical, Inc., hereinafter "Laurier Optical") and my company, 1120931 Ontario Inc. (hereinafter "my company") during the period of May, 1995 to January, 2006.

[55] I note that there are slight differences between the designation of numbered companies in the Tri affidavit and the Kechichian affidavit. In any event, based on the evidence of record, I find it reasonable to conclude that 1101465 Ontario *Inc.* and 1101465 Ontario *Ltd.* is one and the same company identified throughout my decision as 1101465. Likewise, I find it reasonable to conclude that 1120931 Ontario *Inc.* and 1120931 Ontario *Ltd.* is one and the same company identified throughout my decision as 1120931.

[56] Mr. Tri explains the background to his franchise business as follows [pars. 2 to 4]:

- from 1994 to February 1995, he worked part-time at Laurier Optical's laboratory as a technician. In late 1994, he was approached and encouraged by Mr. Kechichian to become a franchisee of Laurier Optical in the Chinatown area because he speaks three dialects of the Chinese language, as well as Vietnamese;
- apprehensive at first, he decided in the New Year to become a franchise of the Laurier Optical store chain;

- the lease for the 621 Store was signed in mid-January 1995 and renovation of the store premise began. At about the same time, he prepared a business plan [Exhibit “A”] and applied for a bank loan. Mr. Kechichian sent a letter to the bank [Exhibit “B”] stating that Laurier Optical had entered into a sublease agreement with 1120931.

[57] Though lengthy, I find it useful to reproduce paragraphs 5 through 7 of the Tri affidavit:

5. The Bank advised me that it would take at least a couple of months to process my application. This meant that the new store could commence business at around May of that year. Upon learning this time frame, Kechichian told me he did not want to wait because the renovations would have been completed by late February; and he wanted the new store to be open on/before his birthday in early March [...]. Kechichian suggested to me that he would open the Chinatown store first, and then transfer the store to me once the bank finance was in place. Under this arrangement, Kechichian would “hire” me as an employee for the months of March and April, 1995. I would then officially take over the franchise store in May, when the bank would advance the loan. I agreed. The China town (*sic*) store opened on or about March 6, 1995.

6. Thus, from the very beginning of the discussion in December, 1994, to the time when I was an “employee” of Laurier Optical, and to the date when the store was officially transferred to me, the intention of both Kechichian and myself was very clear – that the Chinatown franchise was always my store – as a franchisee. The fact that Kechichian “hired” me for the initial two months was an indulgence on my part, and was purely to accommodate his desire to have the store opened prior to my bank application approval so that the grand opening date would coincide with his birthday and the renovated space would not be left vacant.

7. It was and it is my firm belief that even though Laurier Optical owned the store during the months of March and April, 1995, it owned and operated the store on my behalf and for my underlying benefit as the eventual franchisee. From the very beginning, I was responsible for all the store’s business operations and had sole and direct control over all aspects of the store’s operations, including control over the goods and services offered for sale to customers. In this regard, I employed my wife as a sales representative and hired an optician to assist with client service.

[58] Mr. Tri explains why and how he and his wife, prior to the opening of the store, choose the Chinese name consisting of four Chinese characters, meaning “true”, “light”, “eye” and “mirror” respectively; as required by the franchise agreement, the English name was Laurier

Optical [pars. 8 to 10]. According to Mr. Tri, when told about the Chinese name, Mr. Kechichian “was indifferent and did not show much interest” [par. 11].

[59] Mr. Tri states that he has used the Chinese mark for his store both during and after termination of the franchise relationship with Laurier Optical; he adopted “Tri Optical” as the English name for his new store [par. 12].

[60] According to Mr. Tri, “there was never any question” that he owned and continues to own the Chinese mark and “that the specific font was created” by him and he too owns “the copyright to the Chinese mark written in that font” [par. 13, Exhibit “D”]. He states that his understanding was reinforced by his reading of the Agreements in that they only made reference to the trade-mark LAURIER OPTICAL [par. 14]. He further states:

15. From my review of the Agreements, I note that not once in the Agreements that Laurier Optical, as the franchisor, made reference to trade-mark(s) created by a franchisee. In fact, Paragraph 32 of both Agreements clearly indicated that the franchisee is a completely independent entity and that it was my understanding, based on this clause, that I was free to create and use my own trade-marks in the course of operating my store.

16. In addition, Paragraph 38 of the Agreements stated that the Agreement formed the “entire agreement” and there was never any other agreement to suggest that I did not own the Chinese mark or that Laurier Optical owned the Chinese mark.

17. Moreover, Laurier Optical never checked or inspected the use of my Chinese mark in association with the goods and services offered by my store to the customers.

[61] Mr. Tri states that the Chinese name “was used on all wares and services” in the operation of his store [par. 18].

[62] Mr. Tri states at paragraph 19:

As stipulated in the Franchise Agreements, Laurier Optical charged fees from all its franchisees for putting out periodical ads for all the stores. Throughout the franchise period, my store paid Laurier Optical its share of the advertisement fees. Typically, all Laurier Optical stores were listed in these ads prepared and distributed by Laurier Optical. No one particular store was being singled out and highlighted. The exceptions of which I am aware of were three ads placed in the local Chinese newspapers to promote the Chinese town store for its grand opening in March and April, 1995 (see Paragraph 18 (*sic*) below).

[63] At paragraph 20 of his affidavit, Mr. Tri discussed ads placed in the local newspapers *The Capital Chinese News* and the *Canada China News* on March 1, 1995 and April 1, 1995. He states that exceptionally these three ads “were paid for by Laurier Optical, as [he] was temporary under its ‘employ’”; after “the store was transferred back to [him] in May, 1995, expenses for all subsequent ongoing regular ads placed in the Chinese newspapers were borne by [his] store”. He files a yearly breakdown of “general advertising fees paid to Laurier Optical” and the advertising expenses borne by him in promoting his store for the fiscal years 1996 through 2006 [par. 20, Exhibit “E”]. He also files copies of representative ads placed in the Ottawa weekly newspaper *Health Times* [par. 20, Exhibit “F”]. Some of the ads placed by Mr. Tri showed his picture to associate the Chinese name with him [par. 21, Exhibit “G”].

[64] Mr. Tri states at paragraph 23: “Towards the end of my franchise relationship with Laurier Optical, it paid for and put out a few Chinese ads in the *Canada China News*. However, none of these ads showed the Chinese mark. Attached [...] as Exhibit “H” are sample copies of said ads.” I note that the Exhibit “H” consists of four ads published on July 1 and August 19, 2005, and on January 13 and January 20, 2006. I would note that although these ads display Chinese characters, they do not appear to correspond to the Cited Mark or to the Chinese characters found in the Mark, as stated by Mr. Tri.

[65] According to Mr. Tri, “Laurier Optical was not interested in the Chinese mark” for the following reasons: it did not pay for the Chinese ads throughout the franchise period; it did not pay attention to how the Chinese mark was used, never suggested or indicated that it had any interest in same; it did not “spend much time and efforts to monitor the quality of the goods and services offered to customers” by his store; he “never needed to seek approval from Laurier Optical on how and where the Chinese mark was to be used”; and “Laurier Optical never inspected the goods and services on which the Chinese mark was applied” [par. 22].

[66] I reproduce paragraphs 24 through 26 of his affidavit to appreciate Mr. Tri’s position as to the termination of the franchise relationship:

24. I terminated the franchise relationship with Laurier Optical shortly after I decided to relocate my store to its current address at 752 Somerset West.

25. After my store relocation, I started to consider leaving the Laurier Optical franchise. Over the years, I gradually felt that Laurier Optical was only interested in receiving the franchise royalties and advertising fees and not much anything else (i.e., it was not concerned with the success or possible failure of my store, beyond receiving royalties).

26. Finally, in or about January of 2006, I instructed my lawyer to terminate the Franchise Agreement.

[67] According to Mr. Tri's written testimony, soon after termination of the franchise relationship with Laurier Optical, he instructed his lawyer to file the application for the Mark in the name of the Applicant, which was created to operate his new independent store under the name Tri Optical with the Chinese name. The English name "was not into use yet" at the filing date of the application. The grand opening of his new store "which uses the bilingual name was May 1, 2006" [par. 27].

Affidavit of Roberto Zanchetta

[68] Mr. Zanchetta worked at "many of Laurier Optical's corporate stores" and at its head office from 1993 to 2000; he subsequently operated a franchise store in Brockville, Ontario from 2000 to 2004 [par. 1]. He has known Mr. Tri since 1995 [par. 2].

[69] Mr. Zanchetta has reviewed the affidavit of Mr. Kechichian and the replies to undertakings filed in the present proceeding [par. 3]. He files a copy of the letter of June 26, 2002 "allegedly" sent to him [par. 4, Exhibit "A"]. [See above at par. 43].

[70] Mr. Zanchetta deposes that he "was completely baffled" when he read the letter and "could not recall ever seeing such a letter or receiving it"; he did not locate "such a letter or anything close to the content of the alleged letter" in his former company's records [par. 5]. Since he was assured by Mr. Kechichian that matters regarding individual franchise were strictly confidential, Mr. Zanchetta finds it "strange" that the letter would have been copied to all franchisees; he does not see why it would have been the case [par. 6]. He also finds it "strange that the letter was not written on Laurier Optical's company letterhead" as per normal business practice when Laurier Optical sent written communication to its franchisees [par. 7, Exhibits "B" and "C"]. For all these reasons, he concludes that the letter "was not sent to [him] at any time,

including on or about the date indicated on the letter” and confirms that he did not receive “any letter from Laurier Optical containing similar information or directions” [par. 8].

Affidavit of Taiji Yoshino

[71] Mr. Yoshino identifies himself as an intellectual property consultant employed by the firm acting as the Applicant’s trade-mark agent. As discussed hereafter, I am not affording any significance to the Yoshino affidavit.

[72] Mr. Yoshino, who was asked to “review and study how the [Agreements] deal with the subject of trade-mark(s)” concludes that the only trade-mark identified in the Agreements is LAURIER OPTICAL [pars. 2 through 5]. I am disregarding his opinion on the scope of the Agreements as it relates to a contentious issue. As Mr. Yoshino is employed by the firm acting as trade-mark agent for the Applicant, he is not an independent witness giving unbiased evidence [see *Cross-Canada Auto Body Supply (Windsor) Ltd. v. Hyundai Auto Canada* (2005) 43 C.P.R. (4th) 21 (F.C.); aff’d (2006), 53 C.P.R. (4th) 286 (F.C.A.) (*Cross-Canada*)].

[73] Mr. Yoshino, who was also asked to peruse Laurier Optical’s website to ascertain information pertaining to trade-marks, quotes a paragraph from the website [par. 6, Exhibit “A”]. Since Mr. Yoshino’s evidence purports to show that the Cited Mark is not identified on the website, it relates to a contentious issue. Hence, I am disregarding it [see *Cross-Canada, supra*].

[74] On November 20, 2008, Mr. Yoshino conducted searches of the Canadian Trade-marks Database using “Laurier Optical”, “990982” and “1101465” using “Old Owner Name” or “Current Owner Name” field as the search criteria. He lists in his affidavit the trade-marks located for “Laurier Optical” and for “990982”; he did not locate any trade-marks for 1101465 [pars 7 to 9]. According to Mr. Yoshino’s statements, Exhibits “B” and “C” to his affidavit are “copies retrieved [by him] of the full particulars of the trade-mark information page” for trade-marks located by his searches. Having reviewed both exhibits, I find it necessary to clarify that each consists of one page listing the trade-mark applications or registrations yielded by the searches. In other words, Exhibits “B” and “C” do not provide the full particulars of the yielded applications or registrations. Further, I find paragraph 10 of the affidavit, where Mr. Yoshino

reaches a conclusion based on the results of the searches, to be of no significance. In the end, I find the results of Mr. Yoshino's searches to be of no assistance to the Applicant's case.

Affidavit of Christopher Tan

[75] From 1998 to 2003 Mr. Tan was employed at the 621 Store, which to the best of his knowledge "was owned and/or operated" by Mr. Tri [par. 2]. Mr. Tan states that during that period, he "regularly worked a full day on Saturdays"; he also worked on weekdays "from time to time during the summer months"; the store "was always closed on Sundays" [par. 3]. He states that his duties included selling eyeglasses, performing minor repairs on glasses, administrative tasks and "providing translation services during eye exams since [he is] fluently bilingual in English and Cantonese and Mandarin Chinese" [par. 4].

[76] Mr. Tan states that after he stopped working at the 621 Store, from time to time he did visit the 621 Store and that he did, and continues to, visit the store at its new location, usually on Saturdays, from one to two hours; he "will help out" if the store is very busy [par. 5]. I note that I understand Mr. Tan's reference to the "new location" as a reference to the 752 Store.

[77] According to Mr. Tan, Saturdays were normally much busier than weekdays and the ethnic demographic of customers differed. He estimates that "there were approximately three times as many customers on Saturdays than on a weekday" [par. 6]. He also estimates that on Saturdays approximately 80% of customers were of Chinese ethnicity, with the remaining 20% being a mix of non-Chinese customers whereas on weekdays about 20-30% of customers were of Chinese ethnicity, with the remainder being a mix of non-Chinese customers [par. 7].

[78] At paragraph 8 of his affidavit, Mr. Tan presents the name of the store in "traditional Chinese writing" and in "simplified Chinese writing", both subsequently referred to in his affidavit as the Chinese Name. I note that the four characters, from left to right, presented in simplified Chinese writing appear to me as being identical to the Cited Mark. When I compare the four characters in simplified Chinese writing to the four characters in traditional Chinese writing, I see a slight difference in the last character.

[79] Mr. Tan states at paragraph 9:

I have reviewed the document attached as Exhibit “A” to my Affidavit, in particular, item number 1,287,690 (the “Chinese Mark”). I note that the Chinese words in the Chinese Mark spell out the Chinese Name.

[80] Exhibit A to the affidavit is a copy of the advertisement of the application for the Mark.

[81] Mr. Tan states that “[b]oth the Chinese Mark and the Chinese Name” were displayed on signage and products and that “advertisements in some of the Chinese newspapers bore the Chinese Mark and/or Chinese Name” [par. 10].

[82] Mr. Tan estimates that he served 90% of the Chinese customers, “either in Mandarin or Cantonese, two popular dialects of spoken Chinese” [par. 11]. Given the evolution of the linguistic make-up of the Chinese customers, he estimates that in 1998 approximately 75% of the Chinese customers that he served spoke Cantonese and 25% spoke Mandarin whereas in 2003 approximately 40% spoke Cantonese and 60% spoke Mandarin [par. 12].

[83] According to Mr. Tan, both Cantonese-speaking and Mandarin-speaking customers “invariably” referred to the store “with the Chinese Name, and not ‘Laurier’ or ‘Laurier Optical’” [par. 13]; the majority of Chinese-speaking (both Cantonese and Mandarin) customers “would refer to other Laurier Optical stores as Laurier’ or ‘Laurier Optical’” [par. 14].

[84] Mr. Tan concludes his affidavit by stating that his experience in serving Chinese-speaking customers is that “to these Chinese customers, the Chinese Mark and Chinese Name refer only to the [s]tore, and not to Laurier Optical as a chain of stores or any other Laurier Optical store” [par. 15]. I am not prepared to give any significant degree of weight to such statement.

Analysis of the Grounds of Opposition

[85] I shall now consider the grounds of opposition, although not necessarily in their order of pleadings, having regard to the evidence of record. To this end, I will make preliminary remarks and findings.

Reliability of the Testimony of the Parties' Affiants

[86] The Applicant submits that the Opponent's evidence appears "manufactured for the sole purposes of supporting its grounds of opposition". I would not go as far as concluding that the Kechichian affidavit was intended to obscure the true facts, if not to deliberately mislead the Registrar, as suggested by the Applicant. However, I find it reasonable to question the reliability and accuracy of Mr. Kechichian's testimony. Indeed, further to my thorough review of the Kechichian affidavit and cross-examination, I find Mr. Kechichian's testimony to be far from being direct, comprehensive and consistent. Moreover, Mr. Kechichian's written and oral testimony is contradicted by the written testimony of Messrs. Tri and Zanchetta. Yet, the Opponent elected not to cross-examine Messrs. Tri and Zanchetta. Also, the Opponent elected not to file reply evidence pursuant to r. 43 of the Regulations.

[87] In *London Drugs Limited v. Purepharm Inc.* (2006), 54 C.P.R. (4th) 87 (T.M.O.B.), I expressed the opinion that the lack of cross-examination does not prevent me from assessing the value or weight of the evidence introduced by an affiant. In the present case, I see no reason why I could not afford weight to Mr. Tri's unchallenged sworn testimony. Likewise, I see no reason why I could not afford weight to Mr. Zanchetta's unchallenged sworn testimony. Finally, I see no reason not to accept Mr. Tan's unchallenged sworn testimony that he is fluently bilingual in Chinese and Cantonese and Mandarin Chinese.

Chinese Characters

[88] I repeat having observed that the four Chinese characters forming the Cited Mark do not appear to me as being *identical* to the Chinese characters found in the Mark. Thus, it may not be without merit for the Applicant to submit that the font and typeface of the Chinese characters forming the Cited Mark differ from the font and typeface of the Chinese characters found in the Mark. However, based on the affidavits of Messrs. Tri and Tan, it must be concluded that the Chinese characters used by 1120931 in the operation of the franchise store are the four Chinese characters found in the Mark. In addition, based on the Tan affidavit, it must be concluded that the Chinese characters used by 1120931 in the operation of the franchise store and those forming the Cited Mark are the same Chinese characters.

[89] In the end, based on the Applicant's evidence, I conclude that regardless of the *font* and *typeface*, from left to right the four Chinese characters forming the Cited Mark and the four Chinese characters used by 1120931 in the operation of the franchise store, hence the Chinese characters found in the Mark, are the same in simplified Chinese writing.

Trade-mark(s) Referenced in the Agreements

[90] For the following reasons, I find it is reasonable for one to conclude that the only trade-mark referenced in the Agreements was LAURIER OPTICAL, be it as a word or design mark(s).

[91] Notwithstanding my remarks with respect to Mr. Kechichian's testimony, it can be concluded that (i) the Opponent did not own or use any trade-marks involving Chinese characters prior to the operation of the 621 Store; and (ii) Mr. Kechichian recognizes that it was Mr. Tri who asked for Chinese characters to be used in the operation of the 621 Store [see above at pars. 22 and 34]. In addition, I note that the following paragraphs are found in the preamble of each of the Agreements:

AND WHEREAS Laurier Optical has the exclusive right to use and license in Ontario the trade name and trade mark "LAURIER OPTICAL" (Marks).

[...]

AND WHEREAS Laurier Optical has agreed to grant [1102931] the right and license to use the System and the Marks and, in association therewith, to operate a Laurier Optical Store;

[92] I wish to add that my finding, which is based on the evidence and my reading of the Agreements, is expressed solely within the context of the present opposition, not within the context of franchisor's and franchisee's contractual obligations.

Grounds of Opposition Dismissed at the Outset

[93] I dismiss the ground of opposition alleging that the Mark is not registrable pursuant to s. 38(2)(b) and r. 29 of the Regulations for having been improperly pleaded. In my view, the allegations that the translation into French or English and the transliteration of the Chinese

characters are false and/or misleading do not raise a proper ground of opposition pursuant to s. 38(2)(b) of the Act.

[94] I dismiss the ground of opposition alleging that the Mark is not registrable pursuant to s. 12(1)(c) of the Act for the Opponent's failure to meet its evidential burden. The Opponent did not provide any evidence supporting its allegation. For all intents and purposes, I remark that the pleading is to the effect that the two last Chinese characters, hence *a portion of* the Mark, contravenes s. 12(1)(c) of the Act. In other words, the pleading is not that the Mark contravenes s. 12(1)(c) of the Act.

[95] I dismiss the ground of opposition based upon non-conformity to s. 30(e) of the Act for having been insufficiently pleaded. Indeed, the Opponent failed to include any allegations of fact in support of its allegation that the Applicant did not intend to use the Mark. In the event that I am wrong in so finding, the ground of opposition should be dismissed for the Opponent's failure to meet its evidential burden of showing that the Applicant falsely made the statement of intent to use the Mark [see *Home Quarters Warehouse, Inc. v. Home Dépôt, U.S.A., Inc.* (1997), 76 C.P.R. (3d) 219 (T.M.O.B.); *Jacobs Suchard Ltd. v. Trebor Bassett Ltd.* (1996), 69 C.P.R. (3d) 569 (T.M.O.B.)].

[96] As I find that the Opponent's evidence does not relate to the Opponent's alleged trade-name, I dismiss the ground of opposition based upon non-entitlement pursuant to s. 16(3)(c) of the Act due to the Opponent's failure to meet its evidential burden to establish use of its alleged trade-name prior to the filing date of the application, that is January 27, 2006.

[97] I shall now consider the remaining grounds of opposition.

Non-conformity to s. 30(i) of the Act

[98] The material date for considering the circumstances with respect to the ground of opposition based upon non-conformity to s. 30(i) of the Act is the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.)].

[99] The ground of opposition pleads that the Applicant is not in compliance with s. 30(i) of the Act because at the material date the Applicant, "through its director Edward Huan Khoi Tri,

was well aware of the existence of the Opponent's trade-mark and trade-name [described in the statement of opposition] and the Opponent's continued use thereof, given his franchisee and guarantor relationship with the Opponent or the Opponent's predecessor in title, since at least 1995, in the operation of a Laurier Optical franchise store located in Ottawa".

[100] Mr. Kechichian testifies in his affidavit that 1120931 and Mr. Tri "were still obligated" to the Opponent under the 2005 Agreement when the application for the Mark was filed and that Mr. Tri requested the termination of the 2005 Agreement soon after the filing of the application for the Mark [see above at par. 31]. However, on cross-examination, Mr. Kechichian indicates that he received a letter terminating the franchise relationship; he does not have the date [see above at par. 32]. By contrast, Mr. Tri unequivocally states that in or about January of 2006, he instructed his lawyer to terminate the franchise agreement and that soon after termination of the franchise relationship with Laurier Optical, he instructed his lawyer to file the application for the Mark in the name of the Applicant [see above at pars. 66 and 67].

[101] Based on the evidence of record, I find it is reasonable to conclude that the franchise agreement between the Opponent and 1120931 had been terminated at the filing date of the application. That being said, Mr. Tri was obviously well aware of the use of the Cited Mark by 1120931 in the operation of the franchise store.

[102] Section 30(i) requires an applicant to state that it is satisfied that it is entitled to use the mark in association with the applied-for wares or services. The present application contains such a statement and so the application formally complied with the provisions of s. 30(i) of the Act. Therefore, the issue becomes whether the application substantively complied with s. 30(i) of the Act, i.e. was the statement true when the application was filed? [see *Canadian Council of Professional Engineers v. Comsol AB*, January 17, 2011 (unreported) 2011 TMOB 3 (T.M.O.B.)].

[103] Considering the pleading and the Opponent's submissions, I find this ground of opposition should succeed only if the evidence supports a finding that the Applicant is attempting to appropriate the Mark knowing that it includes the Cited Mark alleged to belong to the Opponent. In other words, I find this to be a case where evidence of bad faith on the part of the Applicant is required [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152

(T.M.O.B.)). For the following reasons, I find that the evidence does not support a finding of bad faith on the part of the Applicant.

[104] My previous finding that it is reasonable for one to conclude that the only trade-mark referenced in the Agreements was LAURIER OPTICAL is relevant under this ground of opposition. In addition, and maybe more importantly, the testimony of Mr. Tri [see above at pars. 57 and 60] makes it abundantly clear that in his opinion: (i) the Agreements were restricted to the trade-mark LAURIER OPTICAL; (ii) at all time he was free to create and use his own trade-marks; and (iii) he owned the Chinese mark used in the operation of his store.

[105] In the end, I am satisfied that the statement required by s. 30(i) was made in good faith. Thus, I find that the Applicant has discharged its burden of showing on a balance of probabilities that the application complied with s. 30(i) of the Act and I dismiss the ground of opposition.

Non-entitlement pursuant to s. 16(3)(a) of the Act

[106] The Applicant submits that the Opponent has no standing to raise the non-entitlement ground of opposition since the Opponent does not own the trade-mark alleged in support thereof. Suffice it to say that this is not an instance where an opponent relies on prior use of a third party's trade-mark in support of its non-entitlement ground of opposition. Clearly, the Opponent alleges the previous use of the Cited Mark as its trade-mark. Thus, the issue under this ground of opposition is one of confusion between the Mark and the Cited Mark.

[107] There is an initial evidential burden on the Opponent to establish the use of the Cited Mark in association with "the sale of eyewear, optician services, optical laboratories, optometry services, eye exam clinic" prior to January 27, 2006, as well as non-abandonment at the date of advertisement of the application [s. 16(5) of the Act].

[108] Bearing in mind my preliminary remarks with respect to Mr. Kechichian's written and oral testimony, I conclude from the Opponent's evidence that:

- contrary to the pleading, there was not any predecessor in title to the Opponent;

- 1101465 had been created for the sole purposes of entering into the franchise agreement with 1120931, that is the 1995 Agreement; 1101465 by itself did not use the Cited Mark, rather the Cited Mark was used by 1120931 as sub-licensee of the Opponent under the 1995 Agreement with 1101465; and
- the Cited Mark was used by 1120931 as a licensee of the Opponent under the 2005 Agreement; the Cited Mark was used by the Opponent itself in the operation of the 725 Store.

[109] The next issue becomes whether the use of the Cited Mark by 1120931 from May 1995 up to the termination of the franchise relationship under the Agreements accrues to the Opponent pursuant to s. 50 of the Act.

[110] Section 50(1) of the Act requires the owner of a trade-mark to have direct or indirect control over the character or quality of the wares and services in order for the use of the trade-mark by a licensee to be deemed to be use by the owner. Section 50(1) does not require a written agreement. Evidence of control by the owner of the trade-mark can support the existence of an implied license agreement [see *Well's Dairy Inc. v. UL Canada Inc.* (2000), 7 C.P.R. (4th) 77 (F.C.T.D.)]. It is trite law that a corporate relationship, on its own, is insufficient to satisfy the requirement of s. 50 of the Act [see *MCI Communications Corp. v. MCI Multinet Communications Inc.* (1995), 61 C.P.R. (3d) 245 (T.M.O.B.); *Dynatech Automation Systems Inc. v. Dynatech Corp.* (1995), 64 C.P.R. (3d) 101 (T.M.O.B.)]. It has been held that a common controlling individual may be able to satisfy the requirement of s. 50 of the Act [see *Petro-Canada v. 294661 Canada Inc.* (1998), 83 C.P.R. (3d) 129 (F.C.T.D.); *Lindy v. Canada (Registrar of Trade-Marks)* (1999), 241 N.R. 362 (F.C.A.)].

[111] I find it not necessary to decide whether in the circumstances of this case the fact that Mr. Kechichian is Director and President of both the Opponent and 1101465 may satisfy the requirement of s. 50 of the Act. Indeed, as I have found that 1101465 did not use the Cited Mark by itself, nothing turns on the issue of whether the Opponent benefited from the use of the Cited Mark by 1101465. The issue is whether the Opponent controlled, either directly or indirectly, the character or quality of the wares provided and services offered by 1120931 under the 1995 Agreement.

[112] It has been held that the fact that a franchisor has some control over its franchisee is not sufficient on its own to satisfy the requirement of s. 50(1) of the Act, that is to show control over the character or quality of the wares or services [see *Realestate World Services (1978) Ltd. v. Firstline Trust Co.* (1997), 77 C.P.R. (3d) 406 (T.M.O.B.)]. That being said, in the present case, each of the Agreements on its face contains provisions tantamount to control by the franchisor over the character and quality of the franchisee's operation of retail stores selling optical products.

[113] According to Mr. Tri's written testimony, no steps were taken by the Opponent, either directly or indirectly, to ensure the character or quality of the wares provided and services offered by 1120931 in association with the Cited Mark at any time whatsoever [see above at pars. 57 and 65].

[114] Letters and memos were submitted by the Opponent to establish its *de facto* control over the character or quality of the wares or services [see above at par. 43]. However, based on a plain reading of these letters and memos, I find they amount to control over the use of the Cited Mark as opposed to control over the character or quality of the wares and services offered by a franchisee in association with the Cited Mark, as provided by s. 50 of the Act.

[115] I am mindful of Mr. Kechichian's testimony that the Opponent purchased the products on behalf of 1101465 [see above at par. 26]. However, I find such testimony to be of no assistance to the Opponent for establishing *de facto* control, either direct or indirect, over the wares offered by 1102931. Indeed, there is no evidence to establish that 1101465 in turn would have provided the wares to 1102931. Further, considering the deficiencies of Mr. Kechichian's overall testimony, I am not prepared to conclude or infer that wares offered by 1102931 under the Agreements were purchased by the Opponent.

[116] In the end, considering the evidence of record, I cannot satisfactorily conclude that the Opponent has evidenced the control required by s. 50 of the Act to benefit from the use of the Cited Mark by 1120931 from May 1995 up to the termination of the franchise relationship.

[117] Turning now to the use of the Cited Mark by the Opponent itself in the operation of the 725 Store, there is some evidence showing the display of the Cited Mark in advertisements for

the years 2006 through 2008 [see above at par. 45]. However, the law is clear that in order for advertising to amount to use of the Cited Mark in association with services, pursuant to s. 4(2) of the Act, the Opponent must have been offering and be ready to perform the services in Canada [see *Porter v. Don the Beachcomber* (1966), 48 C.P.R. 280 (Can. Ex. Ct.)]. Yet, the Opponent's evidence establishes that the 725 Store is in operation since May 6, 2006 at the earliest [see above at par. 47]. Thus, the most that can be concluded is that the Opponent by itself first used the Cited Mark, pursuant to s. 4(2) of the Act, on May 6, 2006. I note that use of a trade-mark in advertising does not amount to use of a trade-mark in association with wares pursuant to s. 4(1) of the Act [see *Nissan Canada Inc. v. BMW Canada Inc.* (2007), 60 C.P.R. (4th) 181 (F.C.A.)].

[118] Having regard to the foregoing, I dismiss the ground of opposition based upon non-entitlement pursuant to s. 16(3)(a) of the Act due to the Opponent's failure to meet its evidential burden to show use of the Cited Mark prior to January 27, 2006.

Non-distinctiveness

[119] The ground of opposition reads as follows:

Pursuant to section 38(2)(d) of the Act, the Mark is not distinctive within the meaning of section 2 of the Act since it does not actually distinguish and is not adapted to distinguish nor capable of distinguishing the wares and services of the Applicant, as set out in the Application, from the wares and services of others and more particularly from the wares and services of the Opponent or Opponent's predecessors in title or licensees as described herein above.

[120] The material date that applies to this ground of opposition is the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)]. While there is a legal onus on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes the Wares and Services from those of others throughout Canada [see *Muffin Houses Incorporated v. The Muffin House Bakery Ltd.* (1985), 4 C.P.R. (3d) 272 (T.M.O.B.)], there is an initial evidential burden on the Opponent to establish the facts relied upon in support of the ground of opposition.

[121] As I previously concluded that the Opponent has failed to provide evidence of use of the alleged Chinese trade-name, I find that it failed to show that the Chinese trade-name had become

known sufficiently as of December 22, 2006 to negate the distinctiveness of the Mark [*Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 (F.C.T.D.); *Bojangles' International, LLC and Bojangles Restaurants, Inc. v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.)]. Thus, I dismiss the ground of opposition to the extent that it is based upon confusion between the Mark and the trade-name alleged in the statement of opposition.

[122] I shall now turn to the ground of opposition to the extent that it is based upon confusion between the Mark and the Cited Mark.

[123] Though the material date is later than under the non-entitlement ground of opposition, my finding that the use of the Cited Mark by 1120931 does not accrue to the benefit of the Opponent remains applicable under the non-distinctiveness ground of opposition. Likewise, my finding that the Cited Mark has been used, within the meaning of s. 4(2) of the Act, by the Opponent itself in the operation of the 725 Store since May 6, 2006 remains applicable under the non-distinctiveness ground of opposition.

[124] In my view, the evidence with respect to the use of the Cited Mark by the Opponent itself cannot lead to the conclusion that the Cited Mark had enough of a reputation, as of December 22, 2006, to negate the distinctiveness of the Mark. In particular, there is no evidence, such as sales figures or revenues generated by the operation of the 725 Store, to allow drawing a meaningful conclusion on the extent of use of the Cited Mark between May 6, 2006 and the material date. Furthermore, having thoroughly reviewed the specimens purporting to show the display of the Cited Mark in advertisement for the 725 Store [see above at par. 45], I conclude that: (i) they do not all display the Cited Mark; and (ii) the earliest display of the Cited Mark in advertisements for the 725 Store would be May 12, 2006. Finally, the Opponent has failed to provide evidence as to the value or volume of advertising for the 725 Store, such as expenditures or circulation figures, to allow drawing a meaningful conclusion on the extent to which the Cited Mark had been advertised at the material date.

[125] In view of the above, I find that the Opponent failed to discharge its initial burden to show that as of December 22, 2006 the Cited Mark had become known sufficiently as the trademark of the Opponent to negate the distinctiveness of the Mark. Thus, I dismiss the ground of

opposition to the extent that it is based upon confusion between the Mark and the Cited Mark used by the Opponent.

[126] Notwithstanding my finding that the use of the Cited Mark by 1120931 from May 1995 up to the termination of the franchise relationship did not accrue to the benefit of the Opponent, I find that the use of the Cited Mark by 1120931 remains relevant under the consideration of the distinctiveness ground of opposition. Indeed the ground of opposition, as pleaded, encompasses an allegation that the Mark does not distinguish and is not adapted to distinguish nor capable of distinguishing the Wares and Services from the wares and services of others, including from the wares and services of licensees of the Opponent.

[127] In the present case, there is no debate between the parties that under the Agreements, 1120931 was licensed to use the Opponent's trade-mark LAURIER OPTICAL in the operation of its franchise store. In other words, from May 1995 up to the termination of the franchise relationship 1120931 was a licensee of the Opponent. As previously indicated, the parties debate the rights in and to the Cited Mark, they do not debate that 1120931 has used the Cited Mark in the operation of the franchise store. Accordingly, I shall now consider the distinctiveness ground of opposition to the extent that it is based upon an allegation that the Mark is not distinctive because it is confusing with the Cited Mark used by 1120931, as an entity that was a licensee of the Opponent.

[128] In the absence of evidence establishing that the Applicant is a successor in title to the owner of the Cited Mark, I am satisfied that the evidence establishes that the Cited Mark used by 1120931 in the operation of its franchise store had become known sufficiently as of December 22, 2006 to negate the distinctiveness of the Mark. Hence, the Applicant has the burden to prove, on a balance of probabilities, that the Mark is not confusing with the Cited Mark used by 1120931.

[129] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that 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.

[130] In applying the test for confusion, I must have regard to all the surrounding circumstances, including those specifically enumerated in s. 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. These enumerated factors need not be attributed equal weight [see *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.) and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée et al.* (2006), 49 C.P.R. (4th) 401 (S.C.C.) for a thorough discussion of the general principles that govern the test for confusion].

[131] Relying on *Cheung's Bakery Products Ltd. v. Saint Anna Bakery Ltd.* (1992), 46 C.P.R. (3d) 261 (T.M.O.B.) (*Cheung's Bakery*), the Applicant submits in its written argument that "it is the impression on Canadians as a whole – not just those who speak and understand Chinese – who (*sic*) must be considered". The Applicant submits that the unique font and typeface of the four Chinese characters and the "English expression" TRI OPTICAL are sufficient to avoid any likelihood of confusion.

[132] I note that in *Cheung Kong (Holdings) Ltd. v. Living Realty Inc.* (1999) 4 C.P.R. (4th) 71 (F.C.T.D.) (*Cheung Kong*), Mr. Justice Evans considered the decision *Cheung's Bakery*. He expressed the following comments:

62 Again, I interpret the Registrar to be saying that, on the evidence before it, it could not conclude that a "significant" number of the consumers of the wares with which these marks were associated would recognise the similarity in the Chinese characters on the two marks. I do not think that the Registrar is saying that, for the purpose of determining the likelihood of confusion, the "average Canadian" could *never* be a person who understood the relevant foreign language and that as a matter of law the language understood by the "average consumer" of particular wares or services is not capable of being one of the "surrounding circumstances" to which the Registrar must have regard.

[133] In *Cheung Kong* Mr. Justice Evans reached the conclusion that it can be necessary to consider the possible confusion for those who understand both English and Chinese. In reaching this conclusion, he said:

63 Counsel for the opponent referred me to cases for the more general proposition that the test for confusion is whether the "average consumer" might be confused, and that this hypothetical person was to be identified in the context of the actual consumers of the product associated with the mark. Thus, whether a mark is likely to cause confusion is a question that is to be asked, not in the abstract, but in respect of the particular market in which the wares or services are offered.

64 Thus, in *Canadian Schenley Distilleries Ltd. v. Canada's Manitoba Distillery Ltd.* (1975), 25 C.P.R. (2d) 1 (Fed. T.D.) Cattnach J. said (at page 5):

To determine whether two marks are confusing one with the other it is the persons who are likely to buy the wares who are to be considered, that is those persons who normally comprise the market, the ultimate consumer.

[...]

65 An application of this principle to the particular issue in dispute in this case would indicate that, if it could be inferred from the evidence that a significant proportion of the likely consumers of Living Realty's clients were familiar with Chinese characters, the Registrar should take this into consideration as part of the "surrounding circumstances" when determining whether there was a likelihood of confusion with Cheung Kong's mark.

[134] Considering the particular facts of this case and the evidence of record, I find this to be a case where it is appropriate to consider the possible confusion that the Mark may cause to those who understand both English and Chinese. In applying the test for confusion, I conclude that the Applicant has not met its legal burden to satisfy me, on a balance of probabilities, that confusion as to the source of the Wares and Services is unlikely. I base my conclusion on the fact that each of the s. 6(5)(a) through (d) factors favours the Opponent. Insofar as the s. 6(5)(e) factor is concerned, the Applicant has included the Cited Mark in the Mark. Even though the words TRI OPTICAL result in differences between the trade-marks when viewed and sounded, I find these differences are outweighed by the similarity between the ideas that the trade-marks would convey to those who are able to read the Chinese characters shared by the two marks.

[135] In view of the above, I find that the ground of opposition based upon non-distinctiveness is successful to the extent that it is based upon confusion between the Mark and the Cited Mark used by 1120931, a licensee of the Opponent, in the operation of its franchise store.

Disposition

[136] Having regard to the foregoing, pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application pursuant to s. 38(8) of the Act.

Céline Tremblay
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office