

**IN THE MATTER OF AN OPPOSITION
by Loblaw's Inc. to application
no. 857,320 for the trade-mark
Resident's Choice & Design
filed by Telecombo Inc.**

On September 26, 1997 the applicant Telecombo Inc. filed an application to register the mark RESIDENT'S CHOICE & Design, illustrated below, based on use in Canada since as early as March 1997 on wares and services.

**RESIDENT'S
CHOICE**

In order to overcome objections at the Examination stage, and as a result of a voluntary amendment during the opposition proceeding, the wares and services specified initially were amended several times and presently read as follows:

wares

posters, stickers, magazines, newspapers, brochures, periodicals, cardboard, books and pens.

services

market research and billing services, the offering of vouchers, membership cards;
providing rebates at participating establishments through the use of a membership card covering the services of a retail department store;
restaurant services;
retail grocery stores;
hotel and travel agencies namely hotel and travel rebates at participating establishments;
motor vehicle rental services;
retail gasoline services;
retail pharmacies;

retail video rentals and movie theatre tickets;
reselling of licenced local and long distance telephony;
reselling of cellular and Personal Communications services;
reselling of home and car insurance;
reselling of licenced television broadcast services.

The application of record also disclaims the right to the exclusive use of the word RESIDENT'S, apart from the mark as a whole, although it would appear that the requirement for the disclaimer ended after the application was amended to delete the services "operation of extended health care business and facilities."

I would further note that the fanciful script employed to form the words "resident's" and "choice" in the applicant's mark does very little, if anything, to increase the inherent distinctiveness of the mark which, in its entirety, clearly reads "resident's choice." That is, the design features of the mark are intrinsic with the words and the words "resident's choice" form the essential part of the trade-mark: see *Canadian Jewish Review Ltd. v. The Registrar of Trade Marks* (1961) 37 C.P.R. 89 (Ex. C.). Accordingly, I will refer to the applicant's mark simply as RESIDENT'S CHOICE and disregard the "design" feature.

The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated September 9, 1998 and was opposed by Loblaws Inc. on January 19, 1999. A copy of the statement of opposition was forwarded by the Registrar to the applicant on March 9, 1999. The applicant requested and was granted leave to retroactively file and serve its counter statement: see the Office notice dated June 30, 1999.

The first ground of opposition alleges that the subject application does not comply with the provisions of Section 30(b) of the *Trade-marks Act* because the mark has not been in use since March 1997 as claimed by the applicant.

The second ground of opposition alleges that the mark RESIDENT'S CHOICE is not registrable, pursuant to Section 12(1)(d) of the *Act*, because it is confusing individually and collectively with the opponent's family of registered PRESIDENT'S CHOICE marks covering clothing, fertilizer, laboratory supplies, and a plethora of food and household products. For convenience, I will refer to the opponent's family of registered marks simply as the opponent's mark PRESIDENT'S CHOICE.

The third ground of opposition alleges that the applicant is not entitled to register the applied for mark, pursuant to Section 16(1)(a) of the *Act*, because at the claimed date of first use namely, March 1997, the mark RESIDENT'S CHOICE was confusing with the opponent's PRESIDENT'S CHOICE mark, referred to above, and also confusing with the mark PRESIDENT'S CHOICE previously used in association with retail grocery services, retail department store services, retail pharmacy services, retail financial services, and the offering of rebates and discounts at retail establishments.

The fourth and fifth grounds of opposition allege that the applied for mark is not distinctive of the applicant's wares and services in view of the opponent's prior use of its mark PRESIDENT'S CHOICE as described above, and in view of the opponent's advertising of its

wares and services under its mark.

The opponent's evidence consists of the affidavit of Robert G. Cheneaux, a senior vice-president of the opponent company. The applicant requested and was granted leave to file and serve its evidence retroactively (see the Board ruling dated October 12, 2000) namely, the affidavit of Sari Ruda, "owner" of the applicant company. It appears from the file record that Ms. Ruda failed to attend for cross-examination and the Board, pursuant to Section 44(5) of the *Trade-marks Regulations*, ruled that her affidavit would no longer form part of the evidence of record: see the Board ruling dated January 6, 2003. The Board accepted a brief letter from the applicant as its written argument while the opponent submitted a formal written argument. Both parties attended an oral hearing.

The first ground of opposition is based on Section 30(b) of the *Act*. The material time for considering the first ground is as of the applicant's filing date. The onus or legal burden is on the applicant to show its compliance with the provisions of Section 30(b): see the opposition decision in *Joseph Seagram & Sons v. Seagram Real Estate* (1984), 3 C.P.R.(3d) 325 at 329-330 and the decision in *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R.(3d) 293. However, as with all grounds of opposition, there is an evidential burden on the opponent respecting the allegations of fact pleaded in support. The evidential burden is relatively light respecting the issue of non-compliance with Section 30(b): see the opposition decision in *Tune Masters v. Mr. P's Mastertune* (1986), 10 C.P.R.(3d) 84 at 89. Further, the opponent's evidential burden can be met by reference to the applicant's own evidence: see *Labatt Brewing*

Company Limited v. Molson Breweries, a Partnership (1996), 68 C.P.R.(3d) 216 at 230.

In the instant case the applicant has formally complied with Section 30(b) by including a date of first use in its application namely, March 31, 1997. The issue then becomes whether the applicant has substantively complied with Section 30(b), that is, is the date correct?

In order to meet its evidential burden, the opponent points to correspondence from the applicant dated June 30, 1998 found in the file wrapper. The correspondence requests the Examination Section of the Trade-marks Office to expedite processing of the subject applicaton:

Had the opponent submitted the above correspondence as part of its evidence, pursuant to either Section 38(7) or 54 of the *Trade-marks Act*, then such evidence would have sufficed to meet the opponent's evidential burden in respect of at least some of the wares and services specified in the subject application. However, the above mentioned letter does not form part of

the evidence of record in the opposition proceeding. In this regard I would add that the Registrar, when adjudicating in an opposition proceeding, does not exercise discretion to take cognizance of his own records except to verify whether trade-mark registrations and applications are extant: see *Quaker Oats Co. of Canada v. Menu Foods Ltd.* (1986), 11 C.P.R.(3d) 410 at 411 (TMOB) and *Royal Appliance Mfg. Co. v. Iona Appliance Inc.* (1990), 32 C.P.R.(3d) 525 at 529 (TMOB). The parties are expected to prove each aspect of their case following fairly strict rules of evidence. Accordingly, the first ground of opposition is rejected because the opponent did not meet its evidential burden.

With respect to the remaining grounds of opposition, the determinative issue in this proceeding is whether the applied for mark RESIDENT'S CHOICE is confusing with the opponent's mark PRESIDENT'S CHOICE used in association with food and household items, with the operation of retail grocery stores, and with ancillary services referred to in the third ground of opposition.

The material dates to assess the issue of confusion are (i) the date of decision, with respect to the second ground of opposition alleging non-registrability: see *Andres Wines Ltd. and E & J Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 424 (F.C.A.), (ii) the date of first use of the applied for mark, in this case March 31, 1997, with respect to the third ground of opposition alleging non-entitlement: see Section 16(1) of the *Trade-marks Act*, (iii) the date of opposition, in this case January 19, 1999, in respect of the fourth and fifth grounds of

opposition alleging non-distinctiveness: see *Re Andres Wines Ltd. and E. & J. Gallo Winery* (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.) and *Clarco Communications Ltd. v. Sassy Publishers Inc.* (1994), 54 C.P.R.(3d) 418 (F.C.T.D.). In the circumstances of this case, nothing turns on whether the issue of confusion is determined at any particular material date.

The legal onus is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of Section 6(2) of the *Trade-marks Act*, between the applied for mark RESIDENT'S CHOICE and the opponent's mark PRESIDENT'S CHOICE. The presence of an onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant: see *John Labatt Ltd. v. Molson Companies Ltd.* (1990) 30 C.P.R.(3d) 293 at 297-298 (F.C.T.D.). The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are set out in Section 6(5) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive; all relevant factors are to be considered. All factors do not necessarily have equal weight. The weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.).

The opponent's mark PRESIDENT'S CHOICE does not possess a high degree of

inherent distinctiveness as the term suggests that the highest ranked company officer has personally endorsed a first rate product or service. Thus, the mark as a whole is somewhat laudatory. However, I am able to infer from Mr. Chenaux's evidence that the opponent's mark was well known in Canada at all material times in association with food and household items and the operation of retail grocery stores offering those items. I am also prepared to infer that at all material times the opponent's mark PRESIDENT'S CHOICE had acquired some reputation for ancillary services such as retailing of clothing, flowers, lawn and garden products and pharmaceutical products. The applied for mark RESIDENT'S CHOICE likewise does not possess a high degree of inherent distinctiveness as it too is somewhat laudatory. No evidence has been submitted to show that the applied for mark RESIDENT'S CHOICE enjoyed any reputation at any material date.

The length of time that the marks in issue have been in use favours the opponent as the opponent has been using its PRESIDENT'S CHOICE mark since 1983 while the applicant claims use of its mark since 1997. The nature of the parties' wares and services overlap significantly in the area of "retail grocery stores" as specified as in the applicant's services, and overlap to some extent in the applicant's areas of "restaurant services" and "retail pharmacies" which are ancillary to the opponent's main business. There is a high degree of resemblance between the parties' marks visually as the marks are distinguished by one letter. The marks in issue also resemble each other aurally, although I consider that the aural resemblance is less significant than the visual resemblance. The marks in issue resemble each other least in the ideas that they suggest. Although both marks suggest the idea of first rate quality, the applied for mark

suggests something that home-dwellers would choose, while the opponent's mark suggests an endorsed product or service.

Considering the above, I find that the applicant has not met the legal onus on it to show that, on a balance of probabilities, there is no reasonable likelihood of confusion between its mark RESIDENT'S CHOICE and the opponent's mark PRESIDENT'S CHOICE when the applicant uses its mark in association with "retail grocery services."

However, considering that (i) the remaining wares and services specified in the subject application have little or no connection to the opponent's main business of providing food and household products through retail outlets, (ii) that the reputation for the opponent's mark attaches to the opponent's main business, I find that the applied for mark is not confusing, at all material times, with opponent's mark for the remaining wares and services.

Accordingly (i) the subject application is refused in respect of "retail grocery services" and (ii) the opponent's opposition is otherwise rejected: authority for a divided decision is found in *Produits Ménagers Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 C.P.R.

(3d) 482 (F.C.T.D.)

DATED AT VILLE DE GATINEAU, QUEBEC, THIS 15th DAY OF DECEMBER , 2004.

Myer Herzig,
Member,
Trade-marks Opposition Board