



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

Citation: 2010 TMOB 64
Date of Decision: 2010-05-11

**IN THE MATTER OF AN OPPOSITION by
Scenic Holidays (Vancouver) Ltd. to application
No. 1,128,431 for the trade-mark SCENIC
HOLIDAYS filed by Royal Scenic Holidays
Limited.**

[1] On January 17, 2002, Royal Scenic Holidays Limited (formerly Scenic Holidays Ltd.) (the Applicant) filed an application to register the trade-mark SCENIC HOLIDAYS (the Mark) based upon use in Canada. I reproduce hereafter the use claim in the application:

The trade mark has been used in Canada by the applicant in association with all the specific services listed hereafter, and the applicant requests registration in respect of such services. The trade mark has been so used in Canada in association with the general class of services comprising the following specific services: travel agency services, namely the making of travel arrangements for others including transportation arrangements, accomodation [sic] arrangements, meal arrangements, entertainment and exhibit reservations and tours, since at least as early as December 17, 1997 by the Applicant, and, prior to that date until before December 17, 1997, by its predecessor in title, namely Delights Travel & Tours (Toronto) Ltd. whose address was (...), the trade mark has been so used in respect of the above-mentioned services since at least as early as December 1991.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of April 2, 2003. I note that the use claim in this advertisement contains an error indicating use since December 17, 1997 rather than December 1991. I further note that this error was corrected on the official register on April 1, 2008 by way of “note to file”.

[3] On June, 2, 2003, a statement of opposition against the application was filed by Scenic Holidays (Vancouver) Ltd. (the Opponent), setting out grounds based on s. 38(2)(a), (c) and (d) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act).

[4] The Applicant filed and served a counter statement, in which it denied the Opponent's allegations.

[5] In support of its opposition, the Opponent filed the affidavit of Elton Leung together with Exhibits A to T-2 (the first Leung affidavit). The Applicant obtained an order for the cross-examination of this affiant but a cross-examination was not conducted.

[6] Subsequently, the Opponent was granted leave to file additional evidence consisting of a certified copy of registered trade-mark No. TMA659,396 for SCENIC HOLIDAYS and was also granted leave to amend its statement of opposition adding a ground of opposition based on s. 38(2)(b) and s. 12(1)(d) of the Act.

[7] In support of its application, the Applicant filed the affidavit of Ivy Yeung appending Exhibits A to O.

[8] As reply evidence, the Opponent filed the affidavit of Elton Leung together with Exhibits A to Z (the second Leung affidavit). Once again, the Applicant obtained an order for the cross-examination of this affiant but did not conduct a cross-examination.

[9] Both the Opponent and the Applicant filed a written argument. I note that with its written argument, the Applicant sought leave to file an amended application changing the date of first use and deleting any reference to a predecessor-in-title. The Registrar refused the amendment on the ground that it is proscribed by the provisions of Rule 32(b) of the *Trade-marks Regulations* (Registrar's ruling dated April 10, 2008). Accordingly, the initial application dated 17 January, 2002 remains the application of record.

[10] A hearing was conducted at which both parties were represented.

Preliminary issue

[11] I shall first deal with the Applicant's submissions regarding the acceptability of Ivy Yeung's affidavit as expert testimony in this proceeding. In support of its request the Applicant cites *Rogers Broadcasting Ltd. v. CHUM Ltd.*, 48 C.P.R. (3d) 108 where the Registrar held that:

Where an affiant is being put forward as an expert based on his knowledge or skill acquired from experience, it is incumbent on the affiant to provide details of that experience in order that his qualifications as an alleged expert can be properly assessed.

The Registrar went on to further state:

The opinions of an affiant are admissible as evidence in an opposition where the subject matter of the opinion calls for knowledge or special skill and the affiant is an expert in relation to the subject matter. On the other hand, if the subject matter does not involve a degree of specialized knowledge sufficient to require the evidence of an expert, such evidence is inadmissible.

[12] The Applicant submits that in view of Ivy Yeung's qualifications and experience in the travel agency business, her testimony and opinion evidence are admissible and credible and must be given more weight than in Elton Leung's testimony.

[13] In my view, an expert witness' role is to assist the trier of fact impartially on matters relevant to the expert's area of expertise. The expert's duty should be to the trier of fact and not to any party to the proceedings. It follows that expert testimony necessarily includes independence from the parties in the outcome of the case [see *Black Entertainment Television Inc. v. CTV Ltd.* 66 C.P.R. (4th) 274].

[14] In this proceeding, Ms. Yeung identifies herself as CEO and Director of the Applicant. She also attests to being manager and/or owner of corporations which she claims are predecessors-in-title to the Applicant. Based on the foregoing, notwithstanding Ms. Yeung's qualifications, I am of the view that her testimony cannot be qualified as expert testimony because of her lack of independence in this case. Furthermore, I am not convinced that the subject matter in this proceeding necessarily

calls for expert testimony.

[15] Accordingly, Ms. Yeung's testimony will not be considered as expert testimony for the reasons detailed above. I shall therefore disregard all statements made by Ms. Yeung which are based on her opinion.

[16] I further note that Ms. Yeung, on several occasions, attempts to discredit Mr. Leung, the Opponent's witness, by attacking his credibility. I shall also disregard these portions of her testimony together with the disparaging remarks made against Mr. Leung. If the Applicant wished to test the truthfulness of Mr. Leung's testimony it had every opportunity to do so, particularly in light of the Applicant's two cross-examination orders.

Evidence

[17] The corporate structure of the Opponent and the Applicant and how the parties relate to each other is quite complex. It is also difficult to determine the accurate account of the facts, particularly when facing the contradictory statements of the witnesses. Accordingly, I shall summarize the evidence as I understand it, in light of the admissible evidence of record.

Opponent's Evidence

[18] Elton Leung identifies himself as the beneficial owner of the Opponent. Mr. Leung states that he has been in the travel agency industry for over 25 years. He explains that the Opponent is in the business of providing travel agency services; however the primary focus of its business is the wholesale sale and distribution of tour packages.

[19] It is Mr. Leung's evidence that the Opponent is rooted in a corporate structure that existed prior to late 1997. Before late 1997, there were two Canadian offices operating under the name "Delights Travel & Tours": one in Vancouver, under the name "Delights Travel & Tours (Vancouver) Inc." and one in Toronto "Delights Travel & Tours (Toronto) Ltd.". Mr. Leung joined the Vancouver branch in 1993 as a travel consultant

and became manager in 1994 until the company ceased operations in 1997. Both branches were affiliated and owned by a California corporation, Delights Group of Travel. It is Mr. Leung's evidence that Delights Group of Travel had a subsidiary named Scenic Holiday, Inc. also a California corporation which organized tour packages under the SCENIC HOLIDAYS and SCENIC HOLIDAY marks for Delights Group of Travel and its various branches. According to him, each Canadian branch, Toronto and Vancouver, promoted and sold tour packages organized by Scenic Holiday Inc. under the trade-marks SCENIC HOLIDAYS and SCENIC HOLIDAY since the early 1990's.

[20] It is Mr. Leung's evidence that Delights Group of Travel and Scenic Holidays Inc. encountered operational difficulties and ceased all business in late 1997. As a result both companies became inactive. In light of the cessation of these businesses in 1997 and accompanying abandonment of their trade-marks and trade-names, the former Vancouver and Toronto branches ceased promoting and selling tour packages under the SCENIC HOLIDAYS and SCENIC HOLIDAY trade-marks. Mr. Leung states that the Opponent was incorporated on December 24, 1997 under the name Scenic Holidays Ltd., and immediately after its incorporation and continuing into the present carries on business in providing travel agency services under the trade-mark and trade name SCENIC HOLIDAYS.

[21] Mr. Leung subsequently learned that the Applicant had begun carrying travel agency services in Ontario under the name Scenic Holidays Limited. The Opponent thus changed its name to Scenic Holidays (Vancouver) Limited to distinguish itself from the Applicant.

Applicant's Evidence

[22] Ivy Yeung states that she is the CEO and Director of the Applicant. She explains that the Applicant and her predecessors-in-title, Delights Travel & Tours (Toronto) Inc. and Delights Travel & Tours (Toronto) Ltd., carry on business at the wholesale level of the travel agency business which originates travel services including putting together tour packages. It is Ms. Yeung's evidence that use of the Mark in Canada began in June 1990

through Delights Travel & Tours (Toronto) Inc. where she was manager. Delights Travel & Tours (Toronto) Inc. was owned by a company in San Francisco named Delights Travel Inc., which has been called “Delights Group of Travel” by the Opponent’s witness, Mr. Leung. Although each party refers to this California corporation by a different name, I am prepared to conclude it is the same corporate entity. I note that Mr. Leung provides a printout of a California business search showing the corporate information of this company appended as Exhibit A to his first affidavit.

[23] In 1991, Delights Travel & Tours (Toronto) Ltd. was incorporated by Ivy Yeung. On November 1, 1991, Delights Travel & Tours (Toronto) Inc. was sold to Delights Travel & Tours (Toronto) Ltd. which transaction included all rights in the trade-marks SCENIC HOLIDAYS and SCENIC HOLIDAY.

[24] Ms. Yeung explains that there was a falling out of the San Francisco partners, which resulted in a corporate reorganization. It is Ms. Yeung’s evidence that, as a result of this falling out, the Applicant was incorporated on December 17, 1997. I note however that Exhibit M-1 of the first Leung affidavit shows the date of incorporation to be December 19, 1997. Ms. Yeung states that Delights Travel & Tours (Toronto) Ltd. assigned any and all rights in its trade-marks to the Applicant (paragraph 43 of the Yeung affidavit). Once the Applicant was incorporated it was set up and ready to commence business immediately. According to Ms. Yeung there was immediate migration of the business from Delights Travel & Tours (Toronto) Ltd. to the Applicant. In May of 2001 the name of the Applicant was changed to Royal Scenic Holidays Limited.

[25] Ms. Yeung states that the San Francisco company named Delights Travel Inc. never offered services in Canada and that any use of the Mark in Canada was always initially through the Applicant and its predecessors-in-title. Ms. Yeung further explains that Delights Travel & Tours (Vancouver) Inc., where Mr. Leung was employed from 1993 to 1997, was owned by Delights Travel Services, Inc. (the California company) and only served as a distributor of travel agency products and services for Delights Travel & Tours (Toronto) Inc. and later Delights Travel & Tours (Toronto) Ltd.

[26] The parties' evidence appears somewhat conflicting. On the one hand the Opponent claims that prior to 1997 the Toronto and Vancouver branches of the Delights Group of Travel promoted and sold tour packages organized by a California company, Scenic Holidays Inc. In light of the cessation of business in late 1997 by Delights Group of Travel and Scenic Holidays Inc. and abandonment of the trade-marks SCENIC HOLIDAYS and SCENIC HOLIDAY, the Opponent was incorporated on December 24, 1997 and began using the trade-mark SCENIC HOLIDAYS in Canada as of that date.

[27] The Applicant's evidence contradicts the Opponent's, and claims that the California companies never offered services in Canada and that use of the Mark was always initially through the Delights Travel & Tours (Toronto) Inc. as of 1990, followed by Delights Travel & Tours (Toronto) Ltd. as of 1991, and by the Applicant as of its inception.

[28] In the absence of cross-examination, there is little to assist me in determining the legitimacy of the parties' conflicting evidence. My analysis of the grounds of opposition will therefore be based on the parties' most reliable evidence as supported by the exhibits of record.

Grounds of Opposition

[29] The amended statement of opposition dated March 14, 2006, sets out ten grounds of opposition. The following is my analysis of the grounds, although not necessarily in the order that they were pleaded.

Ground of opposition based on s. 38(2)(b) and s. 12(1)(d)

[30] The ground of opposition as pleaded pursuant to s. 38(2)(b) and s. 12(1)(d) of the Act is as follows:

1.j. The trademark applied for is not registrable in view of Sections 38(2)(b) and 12(1)(d) of the *Trade-marks Act* because it is confusing with a registered trademark, namely Canadian Trademark Registration No. 659,396 for the identical trademark SCENIC HOLIDAYS which is owned by the Opponent in

association with “Travel agency services, including wholesale, retail, reservation, ticketing, car renting, transportation, accomodation [sic] and entertainment reservation services, cruises, arranging and organizing tours and arranging the transport of passengers and goods by road, rail, sea and air.”

[31] The material date that applies to this ground of opposition is the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)].

[32] As the Opponent’s initial burden with respect to this ground has been satisfied because registration No. TMA 659,396 is in good standing, the Applicant has the legal onus of establishing, on a balance of probabilities, that there would be no reasonable likelihood of confusion, within the meaning of s. 6(2) of the *Act*, between the Mark and the Opponent’s mark. 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 [*John Labatt Ltd. v. Molson Cos.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.)].

the test for confusion

[33] 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. In applying the test for confusion, the Registrar 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 each has 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.

[34] The Supreme Court of Canada has discussed the appropriate process for assessing all the surrounding circumstances to be considered in determining whether two trade-marks are confusing in its decision in *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321. It is with these general principles in mind that I shall now assess all of the surrounding circumstances.

s. 6(5)(a) - inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known

[35] The marks at issue are identical and in my view possess little inherent distinctiveness as they describe that the parties' travel services relate to holidays which are scenic.

[36] Although the marks at issue are not inherently distinctive, the strength of the trade-marks may be increased by means of them becoming known through promotion or use.

[37] In this respect the Opponent's affiant, Mr. Elton Leung, states that the Opponent has had significant sales revenue from its services and provides the gross sales revenue for each year from 1998 to 2003. I note in 1998 this figure was \$348,982 but increased dramatically in 1999 to just over \$9 million, and increased to a maximum of \$20 million in 2002. In terms of advertising and promotion I note in 1998 the Opponent's expenditures were \$466, but have generally averaged \$4,000 to \$5,000 each subsequent year until 2003. I find noteworthy paragraph 15 and Exhibits J to N appended to Mr. Leung's second affidavit, which are samples of brochures created and distributed by the Opponent displaying its trade-mark.

[38] As for the Applicant's evidence, Ms. Yeung provides sales figures from the Applicant's predecessor-in-title Delights Travel & Tours (Toronto) Ltd. representing over \$60 million from 1992 to 2001. Exhibit F to Ms. Yeung's affidavit shows representative sampling of advertisements which were published in Toronto Chinese newspapers displaying the SCENIC HOLIDAYS and SCENIC HOLIDAY marks starting as early as 1990 up to 2001. I note that circulation figures of these newspapers have not been

provided. Since May 2001, the Applicant has expanded its business into Vancouver through a British Columbia corporation which acts as sales agent for the Applicant. Ms. Yeung states that its business in Vancouver has had sales greater than \$20 million annually in the last three years (2003 to 2006). In terms of promotion and advertising, samples are provided in Exhibit J to Ms. Leung's affidavit. I note the trade-marks SCENIC HOLIDAYS or SCENIC HOLIDAY are printed on the promotional material from 1997 to 2001. However sample brochures and flyers from 2002 to 2005 only show the ROYAL SCENIC HOLIDAY mark. As for 2005 and 2006, the samples show the trade-mark ROYAL SCENIC. Ms. Yeung estimates the costs of such promotion and advertisement of these marks is about \$400,000/yr, and about \$4,000,000 total.

[39] I am of the view that use of the trade-mark ROYAL SCENIC and ROYAL SCENIC HOLIDAYS on exhibit materials is not use of the mark SCENIC HOLIDAYS. As the Applicant has not provided a breakdown of sales and promotion of each of its marks throughout the years it is not possible to clearly determine the extent to which the mark at issue SCENIC HOLIDAYS has become known in Canada. However, as the promotional flyers and advertisement from 1990 to 2001 display the marks SCENIC HOLIDAYS or SCENIC HOLIDAY, I am prepared to infer that these marks have become known to a certain extent in Canada.

[40] Based on the foregoing information I conclude that both marks at issue have become known to a certain extent in Canada.

s. 6(5)(b) - the length of time each trade-mark has been in use

[41] The Applicant's evidence establishes use of the Mark by its named predecessor-in-title as early as 1992 (Exhibit F of Ms. Yeung's affidavit), whereas the Opponent first used its mark in 1998 (paragraph 16 of the second Leung affidavit).

s. 6(5)(c) and (d) - the nature of the wares, services or business; the nature of the trade

[42] When considering the wares, services and trades of the parties, it is the statement of wares or services in the parties' trade-mark application and registration that govern in respect of the issue of confusion arising under s. 12(1)(d) [see *Henkel Kommanditgesellschaft auf Aktien v. Super Dragon Import Export Inc.* (1986), 12 C.P.R. (3d) 110 (F.C.A.); *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe Inc. v. Bohna* (1994), 58 C.P.R. (3d) 381 (F.C.A.)].

[43] In this case the parties' services clearly overlap and the evidence establishes that the parties' trade channels are either identical or overlapping.

s. 6(5)(e) - the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[44] The parties' marks are identical in all respects.

surrounding circumstances

[45] Since May 2001, when the Applicant publicly announced the launch of its new Vancouver office blocks away from the Opponent's place of business, repeated instances of confusion have arisen (paragraphs 17 and 18 the first Leung affidavit). The Opponent states that from May 2001 through the present and continuing today, it receives on average at least one misdirected telephone call or facsimile transmission per month by people apparently confused between the Opponent and the Applicant.

[46] Exhibit P to Mr. Leung's first affidavit illustrates another instance of confusion. A cheque was made out to the Opponent in April of 2003 and sent to the Opponent's address but which turned out to have been intended to the Applicant. I note that paragraph 58 of Ms. Yeung's affidavit confirms this particular event.

conclusion re likelihood of confusion

[47] The issue to be decided is whether a consumer who has a general and not precise recollection of the Opponent's mark, will upon seeing the Applicant's Mark be likely to think that the related services share a common source. I find that a consideration of all the surrounding circumstances leads me to conclude that, on a balance of probabilities, there is a reasonable likelihood of confusion between the marks. I reach this conclusion based on the fact that the marks are identical and are used in association with overlapping services and share identical channels of trade. Actual instances of confusion have arisen which further support this conclusion.

[48] Accordingly, the s. 12(1)(d) ground is successful.

Ground of opposition based on s. 38(2)(d) and s. 2

[49] The Opponent has pleaded that the Mark is not distinctive and is not capable of distinguishing the Applicant's services from the services associated with the Opponent's trade-mark.

[50] 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.T.D.)].

[51] In order to meet its evidential burden with respect to this ground, the Opponent must show that as of the filing of the opposition June 2, 2003 the Opponent's mark had become known sufficiently to negate the distinctiveness of the Mark [*Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D.); *Re 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) 412 at 424 (F.C.A.)]. I am of the view that Mr. Leung's evidence satisfies the Opponent's initial burden.

[52] As I came to the conclusion that, based on the evidence filed in the record, the Mark is confusing with the Opponent's mark and because the difference in relevant dates does not affect my analysis, the non-distinctiveness ground of opposition therefore succeeds.

[53] Having found the Opponent successful on two grounds, it is therefore unnecessary to consider the remaining grounds.

Disposition

[54] 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.

Lynne Pelletier
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

