

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

**Citation: 2013 TMOB 59
Date of Decision: 2013-03-28**

**IN THE MATTER OF AN OPPOSITION by
Société Anonyme des Bains de Mer et du
Cercle des Étrangers à Monaco to
application No. 1,351,481 for the trade-mark
DIAMOND REWARDS CLUB MONTE
CARLO INN & Design in the name of Monte
Carlo Holdings Corp.**

[1] On May 30, 2007, Monte Carlo Holdings Corp. (then known as Monte Carlo Hotel / Motel International Inc.) (the Applicant) filed an application to register the trade-mark DIAMOND REWARDS CLUB MONTE CARLO INN & Design (shown below) (the Mark) based on use of the Mark in Canada since May 23, 2007 in association with the following services:



The operation of a loyalty program whereby frequent customers of the applicant's franchised hotels / motels who choose to become members of the program can accumulate points that can be applied towards the purchase of the goods or services of the applicant or of other goods or service providers who agree to become associated with the applicant's loyalty program. (the Services)

[2] The application includes the following colour claim and disclaimer:

The applicant claims colour as a feature of the trade-mark, namely, blue, turquoise [*sic*], gold, yellow, red and black. The mark consists of a rectangular design that includes a blue background, to the left, a series of ten diamond shapes arranged in a triangular pattern, the colours of which change, from left to right, from dark to progressively [*sic*] lighter shades of turquoise [*sic*] and finally white, the word DIAMOND REWARDS CLUB in gold lettering, a stylized turquoise [*sic*] crown in the centre that features six more diamond shapes in the centre of the crown above the inscription MONTE CARLO INN in gold lettering, and a smaller red, gold and black stylized crown to the lower right of the design.

The right to the exclusive use of the word INN is disclaimed apart from the trade-mark.

[3] I shall mention at this point of my decision that the Applicant's change of name from Monte Carlo Hotel / Motel International Inc. to Monte Carlo Holdings Corp. was recorded by the Registrar on February 11, 2009. I will return to this change of name later on in my decision.

[4] The application was advertised for opposition purposes in the *Trade-marks Journal* on March 12, 2008.

[5] On May 12, 2008, Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco opposed the application jointly with the Principauté de Monaco. The statement of opposition was amended a first time on November 28, 2008, and again on December 8, 2008. On July 14, 2010, each of the joint opponents requested leave to file a further amended statement of opposition reflecting the fact that they would now be represented individually by separate counsel. Leave was granted by the Registrar by way of Office letter dated March 24, 2011. As a result, the present decision pertains to the statement of opposition as last amended by Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco (the Opponent) on July 14, 2010. A separate decision pertaining to the opponent Principauté de Monaco is being issued in parallel to the present case.

[6] I shall mention at this point of my decision that in its written argument filed on July 11, 2011, the Opponent indicates that the grounds of opposition it relies upon can be summarized as follows:

1. the application does not comply with section 30 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) in that at the filing date of the application for the Mark, the Mark had not been used by the Applicant since the claimed date of first use in Canada in association with the Services;

2. the Mark is not registrable pursuant to section 12(1)(d) of the Act in that it is confusing with the Opponent's Canadian trade-mark registration No. TMA631,932 for THERMES MARINS MONTE CARLO (the Opponent's Registered Mark); and
3. the Mark is not distinctive of the Applicant within the meaning of section 2 of the Act in that it is confusing with the Opponent's Registered Mark contrary to section 12(1)(d) of the Act; and the Applicant has allowed third parties to use the Mark without proper licensing, contrary to section 50 of the Act.

[7] However, I note that the statement of opposition as last amended on July 14, 2010 includes other grounds of opposition alleging, among others, non-registrability of the Mark pursuant to sections 12(1)(b), 12(1)(e) and 10 of the Act, and non-entitlement pursuant to section 16 of the Act. I will discuss these grounds in more detail later on in my decision.

[8] The Applicant filed a counter statement in which it denied the Opponent's allegations.

[9] The Opponent's evidence in chief that was filed jointly with the Principauté de Monaco, consists of the following:

- a certified copy of application No. 1,254,597 for the trade-mark MOSAIK MONTE-CARLO in the name of the Opponent;
- a certified copy of registration No. TMA631,932 for the trade-mark THERMES MARINS MONTE CARLO in the name of the Opponent;
- certified copies of the following publications in the name of the Principauté de Monaco:
 - publication No. 907,076 for the official mark MONTE CARLO;
 - publication No. 970,618 for the official mark SHIELD & Design;
 - publication No. 970,619 for the official mark SHIELD & Design;
 - publication No. 970,620 for the official mark SHIELD & Design; and
 - publication No. 970,623 for the official mark CROWN & Design
- the solemn declaration of Iana Alexova dated November 25, 2008; and

- the solemn declaration of Marie-Ève Rock dated December 4, 2008.

[10] The Applicant's evidence consists of the affidavit of Domenic Meffe, sworn on February 24, 2010.

[11] The Opponent thereafter filed as evidence in reply the solemn declaration of Anne-Christine Boudreault dated March 19, 2010. The Applicant submits that the Boudreault declaration is not proper reply evidence as it does not respond to the Applicant's evidence and should be declared inadmissible. I agree. The Boudreault declaration puts forth dictionary definitions of "Kelly" and "Rainier". More particularly, the declaration apparently purports to establish a connection between the Principauté de Monaco, Grace Kelly and Prince Rainier. However, I fail to see how these dictionary definitions reply to or contradict the Applicant's evidence. Accordingly, I find that the Boudreault declaration is inadmissible and will not discuss it further.

[12] None of the witnesses were cross-examined. In this regard, I note that the Opponent asked that an order for the cross-examination of Mr. Meffe be issued, but the Registrar refused to grant this request by way of Office letter dated March 24, 2011.

[13] Both parties filed written arguments and attended at an oral hearing.

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[14] 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 evidentiary 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 [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); and *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA)].

Preliminary issue – the Applicant's change of name

[15] As indicated above, the present application was originally filed under the name of Monte Carlo Hotel / Motel International Inc. In his affidavit, Mr. Meffe, as President and Director of the Applicant Monte Carlo Holdings Corp., states that this company changed its name from

Monte Carlo Hotel / Motel International Inc. to Monte Carlo Holdings Corp. in August, 2008 [para 1] and that the Applicant's change of name was recorded by the Registrar on February 11, 2009 [para 8].

[16] At the oral hearing, the Opponent, relying on Exhibit "A1" attached to the Meffe affidavit, which consists of a printout of the registration particulars for the Applicant's registration No. TMA442,550 for the trade-mark MONTE CARLO INN & Design (discussed below), submitted that Mr. Meffe's statement concerning the recordation of the Applicant's change of name by the Registrar was untrue. More particularly, the Opponent submits that the nature of the change that was recorded by the Registrar consists of a change of title following an *assignment* of the Mark as opposed to a *change of name* of the Applicant, which submission was vigorously contested by the Applicant. The printout filed as Exhibit "A1" indicates under the heading "**CHANGE IN TITLE**": "TYPE OF CHANGE: Name [...] DATE OF CHANGE: 01 Aug 2008. COMMENTS: FROM: Monte Carlo Hotel – Motel International Inc. TO: Monte Carlo Holdings Corp. / See evidence on File No. 744288". I therefore indicated to the parties that I would exercise the Registrar's discretion to review the evidence on file No. 744288, which pertains to registration No. TMA442,550 for the MONTE CARLO INN & Design trade-mark, so as to verify the exact nature of the change recorded by the Registrar, which I did after the oral hearing.

[17] The evidence on file No. 744288 consists of the following:

- a letter dated January 22, 2009 that was sent to the Registrar by the Applicant's previous trade-mark agent stating as follows:

Change of name of Registered Owner of the Trade-marks listed on Schedule 1.

[...] Please note that my client filed articles of amendment with the Ontario Ministry of Government Services on August 1, 2008 which, among other changes, affected a change in the name of my client **from** Monte Carlo Hotel-Motel International Inc. **to** Monte Carlo Holdings Corp. I am writing to request that the Registrar [...] amend the register [...] to reflect the above-described change [...]. I understand that the delivery of this written request is all that is required in order for your office to process the change of name of the Registered Owner [...].

- an Office letter dated February 11, 2009 entitled “Confirmation of Amendment Owner Information”, whereby the Registrar confirmed that information about the owner had been amended to read Monte Carlo Holdings Corp.

[18] In view of the above, I see no basis on which to retain the Opponent’s submission that Mr. Meffe’s statement is untrue. It is worth noting in this regard that the parties to the present proceeding have been involved in a few legal disputes, one of which having lead to a decision by the Federal Court of Canada in *Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco v Monte Carlo Holdings Corp* 2012 FC 1528 (hereinafter referred to as the *MONTE CARLO* decision), wherein Mr. Justice Martineau, going through the chain of title of the MONTE CARLO INN trade-marks covered by registration Nos. TMA442,550 and TMA442,551 (discussed below), wrote in paragraph 36:

The respondent [Monte Carlo Holding Corp.] was incorporated on March 23, 1992 under Ontario Corporation Number 981026 and was originally called “Monte Carlo Hotel-Motel International Inc.” On August 1, 2008, the respondent changed its name to “Monte Carlo Holdings Corp.” [my underlining]

[19] I will return to that decision later on in my analysis.

Analysis of the grounds of opposition

Non-distinctiveness ground of opposition

[20] As indicated above, the non-distinctiveness ground, as pleaded by the Opponent, has two prongs, namely that the Mark is not distinctive of the Applicant within the meaning of section 2 of the Act in that it is confusing with the Opponent’s Registered Mark contrary to section 12(1)(d) of the Act; and the Applicant has allowed third parties to use the Mark without proper licensing, contrary to section 50 of the Act.


[21] Both in its written argument and at the oral hearing, the Opponent restricted its representations to the second prong of the pleading, namely the improper licensing of the Mark by the Applicant. I will therefore assess that prong first.

[22] The material date that applies to this ground of opposition is the date of filing of the opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317

(FC)]. While there is a legal onus on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes the Services from those of others throughout Canada [*Muffin Houses Incorporated v The Muffin House Bakery Ltd* (1985), 4 CPR (3d) 272 (TMOB)], there is, as indicated above, an evidentiary burden on the Opponent to establish the facts relied upon in support of the ground of opposition.

[23] The Opponent contends that it has satisfied its burden in the present case as the Meffe affidavit establishes that the Mark is used by many different entities in the context of a franchised hotel services operation. More particularly, the Opponent has contended in its written argument that neither the franchisor (a separate entity from the Applicant) nor the franchisees are licensed by the Applicant to use the Mark in Canada as required by section 50 of the Act. However, at the oral hearing, the Opponent indicated that it was concerned by use of the Mark by Monte Carlo Hotel / Motel International Inc. acting either as *previous owner* of the Mark or *franchisor*; it no longer took issue with respect to the control exercised by Monte Carlo Holding Corp., as *owner* of the Mark, over the licensed use of the Mark by the franchisees. In view of my preliminary remarks concerning the Applicant's change of name, the Opponent's argument as to the use of the Mark by Monte Carlo Hotel / Motel International Inc. acting as *previous owner* (and *assignor*) of the Mark is moot. Thus, I will only assess the Opponent's argument as to the use of the Mark by Monte Carlo Hotel / Motel International Inc. acting as *franchisor* of the Mark. This brings me to review the Meffe affidavit in light of the submissions made by the Opponent in its written argument and at the oral hearing.

[24] Mr. Meffe states that prior to the filing of the application for the Mark, the Applicant had registered in Canada, the following trade-marks:

<i>Monte Carlo Inn</i>	
Registration No. TMA442,550	Registration No. TMA442,551

(together the MONTE CARLO INN trade-marks) both covering, among others, hotel/motel services [paras 3 and 4; Exhibits “A1” and “A2” that consist of printouts of the particulars for these registrations].

[25] Mr. Meffe then describes particulars of the Applicant’s hotel business in considerable detail and provides, among others, details as to the use of the MONTE CARLO INN trade-marks [paras 5 to 30 and Exhibits “B1” and “B2”; “C1” to “C7”; “D”; “E1” to “E5”; “F1” to “F5”; “G”; and “H”]. Essentially, there are seven MONTE CARLO INN motel/hotel properties in Canada [paras 13 and 14; Exhibits “C1” and “C2” that consist of printouts obtained from the Applicant’s website at *www.montecarloinns.com* featuring the various MONTE CARLO INN properties]. Each property is owned by a franchisee [para 17]. From 2002 to 2009, sales in Canada in association with the MONTE CARLO INN motel/hotel services have been at least as much as 90 million dollars [paras 19 and 20]. The MONTE CARLO INN trade-marks appear on all of the signage on all of the properties. They also appear prominently throughout the buildings on walls and on signage, and on various things such as glass doors, pillow cases and house staff uniforms, and the like [paras 25 and 26; Exhibits “F1” to “F5”].

[26] Concerning more particularly the licensor/franchisees relationship with respect to the Applicant’s trade-marks, Mr. Meffe states at paragraphs 17 and 18:

[...] all of the MONTE CARLO INN trade marks are owned and licensed by Monte Carlo Holdings Corp. All of the properties using the MONTE CARLO INN trade marks are owned by franchisees that are licensees of the MONTE CARLO INN trade marks, with Monte Carlo Hotel-Motel International Inc. acting as franchisor.

[...] in accordance with the license agreement between Monte Carlo Holdings Corp. and its licensees, Monte Carlo Holdings Corp. maintains care and control over the nature and quality of the wares sold, and the services performed by the licensees at each of the properties using the MONTE CARLO INN trade marks in Canada and this has been so since [the Applicant] franchised its first property using the MONTE CARLO INN trade marks in 1992.

[27] Mr. Meffe then turns specifically to the Mark. He states that since May 23, 2007, the Applicant offers a DIAMOND REWARDS CLUB loyalty program which enables guests to earn and accumulate DIAMOND REWARDS CLUB points by staying at the various MONTE CARLO INN properties which may then be used for a variety of pre-determined awards. He provides information regarding the Applicant’s DIAMOND REWARDS CLUB loyalty program

[Exhibit “I”]; a colour photocopy of the front and back of the DIAMOND REWARDS CLUB card which shows the Mark [Exhibit “J”]; and representative transactions showing the redemption of DIAMOND REWARDS CLUB points for various awards such as dining certificates and complimentary rooms [Exhibit “K”] [paras 31 to 34].

[28] Mr. Meffe goes on to describe in considerable detail the promotion and advertising of the MONTE CARLO INN trade-marks [paras 35 to 53; Exhibits “L1” and “L2”; Exhibit “M”; Exhibit “N”; Exhibits “O1” to “O12”; Exhibits “P1” to “P5”; Exhibit “Q”; Exhibits “R1” and “R2”; and “Exhibits “S1” and “S2”]. Upon review of these exhibits, I note that a black and white reproduction of the front of the DIAMOND REWARDS CLUB card displaying the Mark is depicted in Exhibits “O4” (copy of an advertisement made in the July/August 2008 issue of the *Hotelier* magazine), “P1” to “P3” and “P5” (copies of various advertisements for the MONTE CARLO INN properties made in the *Yellow Pages*). A colour reproduction of the front of the card is also depicted in Exhibit “O12” (copy of an undated advertisement placed in MONTE CARLO INN’s lobbies).

[29] The Opponent submits that the Meffe affidavit fails to establish proper licensing of the Mark for two main reasons. First, Mr. Meffe’s statements as to the licensed use of the Applicant’s trade-marks are restricted to the MONTE CARLO INN trade-marks; they are silent as to the Mark. Second, nowhere in his affidavit does Mr. Meffe state that the franchisor Monte Carlo Hotel-Motel International Inc. is a licensee of the Applicant’s trade-marks.

[30] The reference to Monte Carlo Hotel-Motel International Inc. acting as franchisor has been explained in detail by Mr. Justice Martineau in the *MONTE-CARLO* decision, which decision has been referred to by both parties at the oral hearing in the present proceeding. More particularly, the Opponent itself underscored that the Meffe affidavit filed in the present proceeding is modeled on the one that was filed in the *MONTE-CARLO* case. In that latter case, the parties were inverted: *Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco* [the Opponent in the present proceeding] was the “applicant” appealing a decision by the Registrar refusing in part the applicant’s application for the mark MONTE-CARLO BEACH HOTEL, which application had been opposed by the “respondent” *Monte Carlo Holdings Corp.* [the Applicant in the present proceeding] based on a likelihood of confusion with the MONTE

CARLO INN trade-marks. The issue as to whether or not the franchisor of the MONTE CARLO INN trade-marks could claim the benefit of their prior use was commented by Mr. Justice Martineau. Although lengthy, I find it useful to reproduce below the most relevant parts of his analysis in their entirety:

Alleged defect in the chain of title

[34] The Registrar began by addressing the applicant's argument relating to a defect in the chain of the title of MONTE CARLO INN trademarks. The applicant refers to the third Meffe affidavit and asserts that it is unclear which entity owns the MONTE CARLO INN & Design trade-marks and which entity can claim the benefit of their prior use. Specifically the applicant asserts that it is clear that the franchisees are licensed to use the trade-marks but that the franchisor cannot claim the benefit of their prior use.

[35] The Registrar did not need to address this issue in order to dispose of the related ground of opposition [...].

[36] In response to this, the applicant brings new evidence by way of the Hung affidavit. It sets out the corporation profile of the respondent and another separate legal entity referred to as Ontario Corporation Number 1772970 [New Entity]. The respondent was incorporated on March 23, 1992 under Ontario Corporation Number 981026 and was originally called "Monte Carlo Hotel-Motel International Inc." On August 1, 2008, the respondent changed its name to Monte Carlo Holdings Corp. The New Entity was incorporated on June 30, 2008 and on August 1, 2008, changed its name to "Monte Carlo Hotel-Motel International Inc."

[37] The applicant's point in adducing this new evidence is to demonstrate a break in the chain of title by showing that the respondent and the New Entity – which are two separate legal entities – have shared the same name under Monte Carlo Hotel-Motel International Inc. and that the respondent divested itself of this name on the same day that the New Entity adopted it. Meaning, according to the applicant, that while the New Entity has been a franchisor of the Monte Carlo Inn chain for years, it does not have license to use the respondent's trade-marks in Canada.

[38] The respondent counters that there has been no break in the chain of title. The respondent does not deny the name changes and in fact asserts that the only difference has been a change in the name of the company and that Monte Carlo Holdings Corp. has been the owner of the MONTE CARLO INN trade-marks with no transfers. In terms of "proper title", the respondent points out that while the applicant argues that there is no proper licence in place between the respondent and the owner of the MONTE CARLO INN trade-marks, the applicant still ends up acknowledging that each of the respondent's "franchisees" (hotels) are properly licensed by the respondent.

Allegation of improper licensing

[39] The applicant also argues that the franchisor is not properly licensed but the Meffe affidavits, as presented before the Registrar, demonstrate again that all licensing is properly in place:

- (i) that all of the MONTE CARLO INN trade-marks are owned and licenced by the Respondent;
- (ii) all properties using the MONTE CARLO INN Trade-marks are owned by franchisees that are licencees of the MONTE CARLO INN Trade-marks;
- (iii) that in accordance with the licence agreement between the Respondent and its licencees, the Respondent maintains care and control over the nature and quality of the wares sold, and the services performed by its licencees and each of the properties using the MONTE CARLO INN Trade-marks in Canada; and
- (iv) the Respondent has maintained the care and control referred to in (iii) above since 1992.

[40] The respondent agrees that the Hung affidavit does establish that there are two legal entities but also asserts that there is no evidentiary support for the argument that the Hung affidavit in any way establishes that there is no licence agreement between the respondent and Monte Carlo Hotel-Motel International Inc. The respondent also notes that if the applicant had wished to clarify a point regarding the Meffe affidavits, the applicant was free to conduct a cross-examination during the Opposition Proceedings, yet this did not occur.

[41] I must agree with the respondent. I do not see how the new evidence produced via the Hung affidavit has helped the applicant to meet the onus of establishing that its trade-mark is registrable and not confusing with that of the respondent. This piece of new evidence does not materially affect the decision of the Registrar, which means that a trial *de novo* is not necessary. In addition, the applicable standard of review is thus reasonableness (as outlined previously) and the Registrar has met this standard in its decision (*Dunsmuir* at para 47). [my underlining]

[31] At the oral hearing, the Applicant submitted that Mr. Justice Martineau's comments above disposed of the Opponent's argument in the present proceeding. I tend to agree. Like in the *MONTE-CARLO* decision, there is no evidentiary support for the argument that there is *no* licence agreement between the Opponent and Monte Carlo Hotel-Motel International Inc. acting as franchisor.

[32] Furthermore, in the very particular circumstances of the present case, I find it can reasonably be inferred that Mr. Meffe's omission to expressly refer to the Mark in paragraphs 17 and 18 of his affidavit reproduced above result from an oversight for the following reasons.

[33] First, and as underscored by the Opponent itself at the oral hearing, the Meffe affidavit filed in the present proceeding is apparently modeled on the one that was filed in the *MONTE-CARLO* case. To this effect, I note that paragraphs 14, 16 and 51 of the Meffe affidavit filed in the present proceeding refer by oversight to the Applicant as "the opponent".

[34] Second, and as indicated above, the Opponent did concede at the oral hearing that it had no issue with respect to the control exercised by Monte Carlo Holdings Corp. over the licensed use of the Mark by the franchisees. I see no reason not to apply the same reasoning to the franchisor.

[35] Finally, Exhibits "J", "I", "R1" and "R2" attached to the Meffe affidavit lead me to conclude that the Applicant and the franchisor are closely linked together so that this would appear to be a situation in which it would be reasonable to presume that the requisite control pursuant to section 50(1) of the Act exists. Indeed, Mr. Meffe expressly states in paragraph 51 of his affidavit that "Monte Carlo Hotel-Motel International" is a trade-name used by the Applicant. More particularly, Mr. Meffe states that the manner in which that trade-name is shown in Exhibits "R1" to "R2", which consist of representative samples of a sheet of letterhead as well as a business card and envelope, "are [*sic*] representative of the manner in which the opponent's name [*sic*] is used, and has been used, in the Canadian marketplace." Mr. Meffe is further identified on that business card under the heading "Franchise Development" as "President and CEO" of "Monte Carlo Hotel Motel International". Also, upon review of Exhibit "J", I note that the front of the DIAMOND REWARDS CLUB card refers to the Applicant's website and to a 1-800 telephone number. Cross-referencing Exhibit "J" with Exhibit "I", I note that the same 1-800 telephone number is provided under the heading "Central Reservations Toll Free Canada & US" and that the "Contact Information" identifies "Monte Carlo Hotel Motel International (Head Office) 7035 Edwards Blvd", which address is the same as that of the Applicant.

[36] In view of the above, the second prong of the non-distinctiveness ground of opposition is dismissed.

[37] Turning to the first prong of that ground, the Opponent has failed to satisfy its evidentiary burden since it has not filed any evidence establishing use of the Opponent's Registered Mark in Canada or elsewhere. The mere filing of a certified copy of registration No. TMA631,932 can establish no more than *de minimis* use of the trade-mark THERMES MARINS MONTE CARLO; it does not establish that such mark had a substantial, significant or sufficient reputation in Canada so as to negate the distinctiveness of the Mark [*Bojangles' International LLC v Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (FC)].

[38] Accordingly, the first prong of the non-distinctiveness ground of opposition is also dismissed.

Section 30(b) ground of opposition

[39] As indicated above, the Opponent contends that the application does not comply with the requirements of section 30(b) of the Act as the Applicant has not used the Mark in Canada in association with the Services since the claimed date of first use of the Mark.

[40] The relevant date for considering the circumstances in regard to this ground of opposition is the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB)]. In this regard, section 30(b) of the Act requires that there be continuous use of the trade-mark applied-for since the date claimed [*Labatt Brewing Co v Benson & Hedges (Canada) Ltd* (1996), 67 CPR (3d) 258 (FCTD)]. The Opponent may meet its burden by reference to the Applicant's evidence, provided that the Applicant's evidence is clearly inconsistent with the claims set forth in its application [*Labatt Brewing Co v Molson Breweries, A Partnership* (1996), 68 CPR (3d) 216 (FCTD)]. The Opponent's evidentiary burden is lighter respecting the issue of non-conformity with section 30(b) of the Act, because such facts are more readily available to the Applicant than to the Opponent [*Tune Masters v Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB)].

[41] The Opponent contends that the Meffe affidavit is unclear on this very point, stating that use of the Mark began "in May, 2007", while the date of first use claimed in the Applicant's application is May 23, 2007. More particularly, the Opponent relies on the following statement made by Mr. Meffe in paragraph 33 of his affidavit:

[...] Exhibit “J” is representative of the manner in which the [Mark] has been used by [the Applicant] in association with its [S]ervices since its introduction in May, 2007. [my underlining].

[42] The Opponent contends that the date stated in the Meffe affidavit is vague and that use of the Mark might easily have followed the claimed date of first use. I disagree with the Opponent’s position.

[43] Mr. Meffe’s statement in paragraph 33 of his affidavit is not clearly inconsistent with the Applicant’s claimed date of first use of the Mark. It must be read in the context of the affidavit as a whole, including in conjunction with the preceding statement made in paragraph 31 wherein Mr. Meffe expressly states that “since May 23, 2007, [the Applicant] offers a DIAMOND REWARDS CLUB loyalty program” [my underlining], and the specimens of advertising of the Mark, particularly those attached as Exhibits “O4” (copy of an advertisement made in the July/August 2008 issue of the *Hotelier* magazine) and “P1” (copy of an advertisement made in the Hamilton/Burlington 2007-2008 *Yellow Pages*).

[44] Section 4(2) of the Act provides that a trade-mark is deemed to be used in association with services if it is used or displayed in the performance *or advertising* of those services. I acknowledge that none of the specimens provided by Mr. Meffe precisely shows use of the Mark on the very date of May 23, 2007. However, in the absence of any evidence suggesting that the Applicant had not used the Mark in Canada as of the date of first use claimed in its application, the Applicant was under no obligation to positively evidence such use. Furthermore, Exhibits “O4” and “P1” can by no means be considered to be clearly inconsistent with the Applicant’s claimed date of first use of the Mark.

[45] In view of the above, the section 30(b) ground of opposition is dismissed.

Sections 12(1)(d) ground of opposition

[46] As indicated above, the Opponent has pleaded that the Mark is not registrable having regard to the provisions of section 12(1)(d) of the Act in that it is confusing with the Opponent’s Registered Mark (the particulars of which are attached herewith under Schedule “A”). I have exercised the Registrar’s discretion to confirm that such registration is in good standing as of today’s date, which date is the material date to assess a ground of opposition based on

section 12(1)(d) of the Act [*Park Avenue Furniture Corp v Wickers/Simmons Bedding Ltd*, (1991), 37 CPR (3d) 413 (FCA)].

[47] As the Opponent's evidentiary burden has been satisfied, the Applicant must therefore establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's Registered Mark.

[48] 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.

[49] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those listed at section 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. This list is not exhaustive; all relevant factors are to be considered, and are not necessarily attributed equal weight [*Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Clicquot Ltée* (2006), 49 CPR (4th) 401 (SCC); and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) for a thorough discussion of the general principles that govern the test for confusion].

[50] That said, and as recently reminded by Mr. Justice Rothstein in *Masterpiece, supra*:

[...] the degree of resemblance, although the last factor listed in s. 6(5), is the statutory factor that is often likely to have the greatest effect on the confusion analysis [...]. As Professor Vaver points out, if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion. The other factors become significant only once the marks are found to be identical or very similar [...]. As a result, it has been suggested that a consideration of resemblance is where most confusion analysis should start [...]

[51] As I consider the degree of resemblance between the parties' marks to be the determining factor in the present case, I will analyse this factor first.

[52] The only common element between the Mark and the Opponent's trade-mark THERMES MARINS MONTE-CARLO is "MONTE CARLO", which is a weak element due to its descriptive nature in terms of geographical significance. Furthermore, such element does not dominate the Mark as a whole. Indeed, I agree with the Applicant that the dominant portions of the Mark are the diamond designs as well as the words "DIAMOND REWARDS CLUB". The "MONTE CARLO" element is further used in conjunction with the word "Inn" as a reference to the Applicant's MONTE CARLO INN motel/hotel properties.

[53] The Mark as a whole is not only different from that of the Opponent in appearance and sound, but also in the ideas suggested. Indeed, the idea suggested by the Mark is one where the Applicant's "diamond members" are offered "rewards". In contrast, the Opponent's trade-mark is suggestive of a "Monte Carlo marine thermal bath".

[54] I do not find it necessary to proceed with a detailed analysis of the remaining factors. As indicated above, there is no evidence that the Opponent's Registered Mark has been used and become known to any extent whatsoever in Canada or elsewhere in association with the various wares and services covered by the Opponent's registration so as to enhance its distinctiveness. The parties' wares and/or services also differ in that the Services are a loyalty program directed to the Applicant's franchised hotel/motel guests whereby they can accumulate and redeem points. The wares and services recited in the Opponent's registration, on the other hand, include specialized therapies in the form of thermal bath treatments, algae treatments, revitalization treatments using thalassotherapy and baineotherapy, hydrotherapy and physiotherapy as well as other wares and services relating thereto.

[55] As indicated above, the issue is whether a consumer, who has a general and not precise recollection of the Opponent's Registered Mark, will, upon seeing the Mark, be likely to believe that their associated wares or services share a common source. This is not such a case.

[56] In view of the above, the section 12(1)(d) ground of opposition is dismissed.

Remaining grounds of opposition

[57] As indicated above, the statement of opposition as last amended on July 14, 2010 includes other grounds of opposition. While the Opponent indicated at the oral hearing that it was not withdrawing any of the grounds of opposition pleaded in that statement of opposition, the Opponent made *absolutely no* representations with respect to these other grounds either in its written argument or at the oral hearing. In the circumstances, I do not find it necessary to conduct a detailed analysis of each of the remaining grounds of opposition. Suffice it to say that all of these grounds can be summarily dismissed for the following reasons:

Non-registrability pursuant to section 12(1)(b) of the Act

[58] The Opponent has pleaded that that the Mark is not registrable pursuant to section 12(1)(b) of the Act in that whether written, depicted or sounded, the Mark is deceptively misdescriptive in the English or French language of the character or quality of the Services or of the conditions of the persons employed in their production or their place of origin, namely the Principality of Monaco (of which Monte-Carlo is one of its districts) or of an entity under its control.

[59] The Opponent has failed to satisfy its evidentiary burden with respect to this ground. Suffice it to say that while the Alexova declaration provides dictionary definitions which establish that “Monaco” is a principality forming an enclave within the French territory, and that “Monte-Carlo” is famous for its casino and the destination of an annual car rally, it fails to establish that “Monte-Carlo” would have a reputation for a customer loyalty program.

Non-registrability pursuant to sections 9, 10 and 12(1)(e) of the Act

[60] The Opponent has pleaded that the Mark is a trade-mark whose adoption is prohibited pursuant to sections 9 and 10 of the Act in that:

1. the Mark is composed of, or resembles such that it could be mistaken for any territorial or civil flag of a country of the Union for the Protection of Industrial Property namely the Principality of Monaco and is contrary to sections 12(1)(e) and 9(1)(i.2) of the Act;

2. the Mark is composed of what may resemble a badge, mark or emblem adopted by a public authority in Canada as its official mark for wares and services, namely the official mark MONTE-CARLO, published under No. 907,706 in the name of the Principauté de Monaco, contrary to sections 12(1)(e) and 9(1)(n) of the Act;
3. the element “MONTE-CARLO” in the Mark, in the course of ordinary business practice has become known in Canada as designating the place of origin of the services in connection with which it has been used, namely the services associated with, in one manner or another, the Principauté de Monaco, such that the Mark is contrary to sections 12(1)(e) and 10 of the Act; and
4. the Mark is objectionable pursuant to section 9(1)(i) of the Act in that it consists of, or so nearly resembles as to likely be mistaken for one or more of the territorial or civic flags, crests or emblems of the Opponent, namely the ones listed in the attached Schedule “B”, which have been the object of a public notice by the Registrar on November 30, 1983.

[61] Each of these grounds can be summarily dismissed as follows:

- Ground No. 1: Even if I were to find that the Opponent has satisfied its evidentiary burden with respect to this ground, the Applicant has satisfied its legal onus to establish that the Mark as a whole does not so nearly resemble as to likely be mistaken for the Principauté de Monaco’s national flag.
- Ground No. 2: The Opponent has failed to satisfy its evidentiary burden with respect to this ground. The Applicant has raised sufficient doubts concerning whether the Principauté de Monaco is in fact a public authority *in Canada* [*Canada Post Corporation v United Postal Service* (2007), 54 CPR (4th) 121 (FCA); and *Ecosmart Foundation Inc v SJ Electro Systems Inc*, 2012 TMOB 104 CanLII].
- Ground No. 3: The Opponent has the evidentiary burden to establish that “MONTE CARLO” has been recognized in Canada as designating the place of origin of the services associated with, in one manner or the other, the Principauté

de Monaco. Even if I were to find that the Opponent has met its burden, I would find that the Applicant has satisfied its legal onus to establish that the Mark as a whole does not so nearly resemble as to likely be mistaken for the so-called mark “MONTE CARLO”. The element “MONTE CARLO” is used in combination with distinctive elements such that it does not dominate the Mark.

- Ground No. 4: Even if I were to find that the Opponent has satisfied its evidentiary burden with respect to this ground, the Applicant has satisfied its legal onus to establish that the Mark as a whole does not so nearly resemble as to likely be mistaken for the Principauté de Monaco’s prohibited marks.

Non-entitlement pursuant to section 16 of the Act

[62] The Opponent has pleaded that the Applicant is not entitled to registration of the Mark in that as of the Applicant’s claimed date of first use of the Mark in Canada, the Mark was confusing with the Opponent’s trade-mark MOSAIK MONTE CARLO in respect of which application No. 1,254,597 had been previously filed by the Opponent (the particulars of that application are attached herewith under Schedule “A”).

[63] While the Opponent has satisfied its evidentiary burden to establish that its application for the trade-mark MOSAIK MONTE CARLO had been previously filed and was not abandoned as of the date of advertisement of the application for the Mark [section 16(4) of the Act], I find that the Applicant has satisfied its legal onus to show that there was no likelihood of confusion between the Mark and the Opponent’s trade-mark MOSAIK MONTE CARLO as of the Applicant’s claimed date of first use.

[64] Indeed, I find that the differences existing between the parties’ marks are, by themselves, sufficient to preclude a likelihood of confusion. Like for the Opponent’s trade-mark THERMES MARINS MONTE CARLO discussed above under the section 12(1)(d) ground of opposition, the only common element between the parties’ marks is “MONTE CARLO”, which is a weak element. This is particularly true when one considers the Mark as a whole: the “MONTE CARLO” element can by no means be considered to dominate the Mark. Likewise, I consider the word “MOSAIK” in the Opponent’s trade-mark to be the dominant element of the mark as it

appears first and is inherently more distinctive than the word “MONTE CARLO”, which is descriptive in terms of geographical significance. In the absence of evidence of use of the Opponent’s trade-mark MOSAIK MONTE CARLO, I do not find it necessary to proceed with a detailed analysis of the remaining factors listed in section 6(5) of the Act.

[65] In closing, I note that the Opponent has also pleaded under the introductory paragraph of section 16 of the Act that the application does not conform to the requirements of section 30 of the Act, that the application is not for a trade-mark that is being used but a proposed trade-mark, and that the Mark is not registrable and does not function as a trade-mark. I am of the view that such pleading does not raise a valid ground of opposition. Such pleading would be more appropriately raised under section 38(a) (non-compliance with section 30 of the Act) or (b) (non-registrability pursuant to section 12) discussed elsewhere in my decision. Accordingly, this ground is dismissed.

Other section 30 grounds of opposition

[66] The Opponent has pleaded other grounds of opposition under section 30 of the Act, namely that the trade-mark for which use is alleged is not the Mark; use of the Mark in association with each of the Services has been discontinued; the Services are not recited in ordinary commercial terms; and the Applicant could not have been satisfied that it was entitled to use the Mark in Canada knowing that it would violate the rights of the Opponent.

[67] Assuming that each of these grounds of opposition is properly pleaded, the Opponent has failed to satisfy its evidentiary burden with respect to each of them. No evidence or argument support the Opponent’s allegations.

Disposition

[68] In view of the foregoing and pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(8) of the Act.






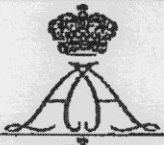





Annie Robitaille
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Schedule "A"

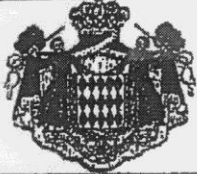





Appl'n or Reg. No. / Appl'n or Reg. Date	Trade-mark	Wares / Services
TMA631,932 Issued on Feb. 03, 2005	THERMES MARINS MONTE CARLO	<p>(1) Savons; parfumerie [...]; cosmétiques [...]. (2) Articles de gymnastique et de sport [...]. (3) Aliments de soutien pour l'effort [...]. (4) Eaux minérales et gazeuses et autres boissons non alcooliques [...].</p> <p>(1) Divertissement sous la forme d'émissions télévisées d'informations, de comédies, de variétés; sous la forme de concerts d'orchestre, de concours de beauté, de défilés de mode, de productions théâtrales, de représentations de danse, de ballet; divertissement fourni en ligne par le biais de bases de données informatiques ou via Internet, nommément: forums de bavardage, horoscope, jeux, concours; activités sportives et culturelles, nommément: organisation de colloques, de conférences, de séminaires, de concours, de compétitions de gymnastiques, de danse; production de films, de spectacle de danse, de concours de beauté, de défilé de mode; club de santé (mise en forme physique, culture physique). (2) Restauration (alimentation). (3) Soins d'hygiène et de beauté; massages, thermalisme, traitement par les algues, cure de remise en forme et de revitalisation du corps par thalassothérapie et balnéothérapie, organisation de cures de thalassothérapie, de balnéothérapie, d'hydrothérapie et physiothérapie; conseils et expertises en thalassothérapie, hydrothérapie marine, y compris balnéothérapie.</p>
1,254,597 Filed on April 19, 2005 Abandoned on May 7, 2008	MOSAÏK MONTE CARLO	<p>(1) Coutellerie, fourchettes et cuillers. Appareils photographiques, cinématographiques, nommément [...]; appareils optiques, nommément [...]; appareils pour l'enregistrement, la transmission, la reproduction du son ou des images, nommément [...]; supports d'enregistrement magnétiques, nommément [...]; distributeurs automatiques et mécanismes pour appareils de prépaiement; caisses enregistreuses [...]. Ustensiles</p>

		<p><i>et récipients pour le ménage ou la cuisine [...]</i></p> <p><i>(1) Divertissement sous la forme d'émissions télévisées d'informations, de comédies, de variétés; sous la forme de concerts d'orchestre, de concours de beauté, de défilés de mode, de productions théâtrales, de représentation de danse, de ballet, divertissement fourni en ligne par le biais de bases de données informatiques ou via Internet, notamment : forums de bavardage, horoscope, jeux, concours; activités sportives et culturelles, notamment : organisation de colloques, de conférences, de séminaires, de concours, de compétitions de gymnastique, de danse et de sports collectifs; production de films, de spectacles de danse, de concours de beauté, de défilés de mode; club de santé (mise en forme physique, culture physique). Service de restauration (alimentation).</i></p>
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Schedule "B"

	970623	1983-11-30
	970625	1983-11-30
	970626	1983-11-30
	970627	1983-11-30
	970628	1983-11-30
	970629	1983-11-30
	970630	1983-11-30
	970631	1983-11-30
	970621	1983-11-30
	970622	1983-11-30
	970624	1983-11-30

Schedule "B" – Cont'd

	970617	1983-11-30
	970618	1983-11-30
	970619	1983-11-30
	970620	1983-11-30
	970632	1983-11-30
	970633	1983-11-30