

**IN THE MATTER OF AN OPPOSITION
by Canada Post Corporation to application
No. 583,316 for the trade-mark THE POST
OFFICE ALTERNATIVE filed by
Mail Boxes Etc. USA, Inc.**

On May 4, 1987, the applicant, Mail Boxes Etc. USA, Inc., filed an application to register the trade-mark THE POST OFFICE ALTERNATIVE for “telephone answering and photocopy services; and mail box rental.” The application is based on proposed use in Canada and on use and registration (No. 1,306,328) in the United States. The application as filed contained a disclaimer to the words POST OFFICE. The application was advertised for opposition purposes on August 17, 1988.

The opponent, Canada Post Corporation, filed a statement of opposition on February 13, 1989, a copy of which was forwarded to the applicant on January 13, 1989. A revised statement of opposition was filed on April 25, 1989 and leave was granted to file that revised statement on June 9, 1989. A further revised statement of opposition was filed on August 29, 1990 and partial leave was granted on February 28, 1991. The opponent sought judicial review of that decision and, by an Order dated December 10, 1991, the Federal Court ordered the Opposition Board to grant the opponent’s request for leave in its entirety.

The first ground of opposition is that the applicant applied for trade-mark is not registrable in view of the provisions of Section 12(1)(b) of the Trade-marks Act. In this regard, the opponent has alleged that the applicant's mark is deceptively misdescriptive of the character or quality of the applicant's services because

....the applicant’s use of the trade-mark THE POST OFFICE ALTERNATIVE would imply that such services are provided or performed by the opponent, its employees or persons acting under its auspices.

The second ground of opposition is that the application does not comply with the provisions of Section 30(i) of the Act. In support of this ground, the opponent has alleged that the applicant could not have been satisfied that it was entitled to use its mark in Canada

because the mark suggests that the services have been authorized or approved by the opponent and because use of the mark is contrary to Section 58 of the Canada Post Corporation Act.

The third ground is that the applicant is not the person entitled to registration pursuant to Section 16(3) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the opponent's trade-marks MAIL POSTE & Design and POSTE MAIL & Design for which applications had previously been filed. The fourth ground is that the applicant is not the person entitled to registration pursuant to Sections 16(2) and 16(3) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with a series of trade-marks and trade-names previously used in Canada by the opponent and its predecessor in title. Those marks and names include Canada Post Corporation, Canada Post, Post Office, INTELPOST, MEDIAPOSTE and PRIORITY POST.

The fifth ground of opposition is that the applied for trade-mark is not registrable pursuant to the provisions of Sections 9(1)(n)(iii) and 12(1)(e) of the Act in view of a number of official marks of the opponent. Those marks include PRIORITY POST - POSTES PRIORITAIRES, INTELPOST, MEDIAPOSTE and PRIORITY POST COURIER. The sixth ground is that the applied for trade-mark is not registrable pursuant to Sections 9(1)(d) and 12(1)(e) of the Act because it is likely to lead to the belief that the services in association with which it is used have received or are produced, sold or performed under governmental patronage, approval or authority.

The seventh ground of opposition case reads as follows:

The proposed trade-mark is not distinctive in that it is not adapted to distinguish the services in association with which it is proposed to be used from the services provided by the opponent and its predecessor; on the contrary, it is calculated to give rise to confusion, and to enable the applicant to benefit from and trade off the goodwill of the opponent in its corporate name, trade-marks, official marks and trade-names as referred to above, and in the term "post office" as used in association with its services.

The applicant filed and served a counter statement and was granted leave on August 4, 1989 to file a revised counter statement. As its evidence, the opponent filed affidavits from each of the following individuals:

Jeffrey Weldon Astle	Paul Oldale
Herbert McPhail	Andrea M. Billingham
Katherine A. Ackerman	Louise Chesley
Paula R. Gannaw	Laszlo Szabo
Bruce Moreland	Madeline Risser
Brian P. Isaac	Dan Campbell

As its evidence, the applicant filed two affidavits of Pierre E. Roger and the affidavits of Joy Kimberley Temple, Gail Ann Korisz, Barbara Laine Kagedan, Linda Susan Burden, Shenda Harris and Gordon W. Hill. Ms. Temple, Ms. Kagedan and Mr. Roger were cross-examined on their affidavits and the transcripts of those cross-examinations form part of the record of this opposition. The opponent was subsequently granted leave pursuant to Rule 46(1) of the Trade-marks Regulations to file the affidavits of Diana Fearon-Chronis and Paranjit Singh. Only the opponent filed a written argument and an oral hearing was conducted at which both parties were represented.

At the outset of the oral hearing, the opponent submitted a supplemental written argument comprising a tabular summary of the opponent's evidence arranged by trade-mark. In view of the applicant's consent, I agreed to make that supplemental argument part of the record of this opposition.

During the course of the oral hearing, the agent for the opponent withdrew the fifth ground of opposition. That ground would have been unsuccessful, in any event, because the applicant's trade-mark is not the same as, or almost the same as, any of the official marks relied on by the opponent.

Central to most of the opponent's grounds is its contention that the words "postal" and "post office" are generally understood to refer to the services of the opponent and that consequently the applicant's trade-mark THE POST OFFICE ALTERNATIVE would lead the public to believe that the associated services are performed by the opponent. The dictionary and encyclopedia entries evidenced by the Ackerman affidavit support the opponent's contention that "mail" is typically understood to mean something that is handled by a government postal system. The Canada Post Corporation Act gives the opponent exclusive rights in this area and, considering the volume of business conducted by the opponent, it is likely that most Canadians associate the ordinary words "postal" and "post office" with the opponent. In this regard, reference may also be made to the decision in Société Canadienne des Postes v. Postpar Inc. (1989), 20 C.I.P.R. 180, [1988] R.J.Q. 2740.

The opponent sought to establish that the word "post" is in active use by various enterprises. The Burden affidavit evidences ten third party registrations for trade-marks incorporating the word "post" or "poste." However, only a handful of those registrations cover services similar to those listed in the applicant's application. Given the relatively small number of relevant registrations, I am unable to conclude that any of those marks are in active and substantial use. Thus, I am unable to conclude that there has been common adoption of trade-marks incorporating the word "post" or "poste" in the context of the particular services for which the applicant is seeking registration. With respect to the relevance of state of the register evidence, see the opposition decision in Ports International Ltd. v. Dunlop Ltd. (1992), 41 C.P.R.(3d) 432 and the decision in Del Monte Corporation v. Welch Foods Inc. (1992), 44 C.P.R.(3d) 205 (F.C.T.D.). Also of note is the decision in Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd. (1992), 43 C.P.R.(3d) 349 (F.C.A.) which is support for the proposition that inferences about the state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located.

A review of the remainder of the opponent's evidence reveals that the applicant and the opponent are, to some extent, potential competitors. The Szabo, Gannaw and Oldale affidavits establish that the opponent deals in many of the same types of businesses for which the

applicant is seeking registration of its mark. The opponent provides photocopier services at some of its post offices and also provides mailbox rentals at some of those locations. The opponent also provides an electronic facsimile service for its customers under the trade-mark INTELPOST. The opponent also provides courier delivery service.

In reviewing the evidence in the present case, I have also been guided by the decision of Mr. Justice Muldoon in Canada Post Corp. v. Registrar of Trade Marks (1991), 40 C.P.R.(3d) 221 (F.C.T.D.) and his following comments regarding the Postpar decision (at page 239):

The incidents of Parliament's special regard for, and statutory protection of Can. Post abound in the C.P.C.A. [the Canada Post Corporation Act] and are especially noticeable in the above-recited passages. The definitions, especially those of "mail", "mailable matter" and "transmit by post", virtually equate Can. Post with the notions of "mail or mailing" and "post or posting" of "any message, information, funds or goods which may be transmitted by post."

Mr. Justice Muldoon went on to discuss the provisions of the Canada Post Corporation Act at length and stated as follows at page 240 of the decision:

In light of Can. Post's extraordinary special status conferred by Parliament, the corporation cannot lawfully be prevented, on the TMOB's discretion under the rules, from evincing all of its enormous statutory importance in specific regard to Can. Post's marks and words of corporate identity, by refusing the amendments to its statement of opposition just as if Can. Post were an ordinary individual or corporation. Put another way, the law exacts that Can. Post be enabled to evince its special status regarding its corporate identity in order that the TMOB have fully for consideration Can. Post's exertion of its monopoly, status and identity in opposition to anyone and everyone who or which would seek to become the registered holder of trade marks similar to, or even suggesting those of Can. Post, for such marks fall under the ban of outlawry imposed by the specific and general provisions of the C.P.C.A.

In passing, I wish to note that while it is undoubtedly true that Canada Post Corporation has a special status by virtue of its enabling statute and that it can use the provisions of that statute in support of one or more grounds of opposition, Canada Post Corporation nevertheless should receive the same treatment as others respecting interlocutory requests in opposition proceedings. If Mr. Justice Muldoon is saying otherwise, I disagree.

As for the first ground of opposition, the material time for considering the circumstances respecting the issue arising pursuant to Section 12(1)(b) of the Act is the date of my decision: see the decision in Lubrication Engineers, Inc. v. The Canadian Council of Professional Engineers (1992), 41 C.P.R.(3d) 243 (F.C.A.). The issue is to be determined from the point of view of an everyday user of the wares. Furthermore, the trade-mark in question must not be carefully analyzed and dissected into its component parts but rather must be considered in its entirety and as a matter of first impression: see Wool Bureau of Canada Ltd. v. Registrar of Trade Marks (1978), 40 C.P.R.(2d) 25 at 27-28 and Atlantic Promotions Inc. v. Registrar of Trade Marks (1984), 2 C.P.R.(3d)

The applicant's trade-mark THE POST OFFICE ALTERNATIVE clearly indicates that the applicant's services are the same as those provided by the opponent. As discussed, consumers associate the words "post office" with the opponent. Furthermore, it is very likely that consumers would assume that an enterprise operating under that trade-mark would be licensed, sponsored or otherwise approved by Canada Post Corporation. The Astle affidavit establishes that there are similarities in the signage used by both parties at their outlets. Both use signs which are dominated by the colors red and white and which include a red maple leaf design. Furthermore, the Fearon-Chronis and Singh affidavits evidence instances where consumers dealing with one of the applicant's outlets assumed there was a connection with the opponent. Finally, as noted by the opponent's agent, THE POST OFFICE ALTERNATIVE is an apt phrase that the opponent would likely use to distinguish itself from its competitors, as in "Choose the Post Office Alternative."

In view of the above, I find that the opponent has satisfied its evidential burden respecting the first ground of opposition. Furthermore, the applicant's evidence does not discharge the legal burden on it. Unlike the situation in the opposition to the trade-mark MAIL BOXES PLUS & Design (Canada Post Corp. v. 736217 Ontario Ltd. (1993), 51 C.P.R.(3d) 112), the present applicant did not evidence any third party uses of trade-names incorporating the word "post" or "post office" for the same type of services. Thus, the first ground is successful.

As for the second ground of opposition, the applicant has formally complied with the provisions of Section 30(i) of the Act by including the required statement in its application. The issue then becomes whether or not the applicant has substantively complied with that subsection - i.e. - was the statement true when the application was filed? The opponent contends that the statement could not have been true because the applicant's use of its mark was contrary to the provisions of Section 58 of the Canada Post Corporation Act.

I had occasion to consider this issue in the 736217 Ontario case at page 120 as follows:

I disagree with the opponent's contention. Section 58 of the Canada Post Corporation Act deals with certain offences that arise from the unauthorized use of words or marks suggesting a connection with the opponent. Section 60 of that Act indicates that the offences under Section 58 are criminal in nature and provides for a range of penalties. Thus, it was incumbent on the opponent to evidence that the applicant had been convicted of one or more of the offences spelled out in Section 58 by a court of competent jurisdiction or at least that there is a 'prima facie' case. It is beyond the jurisdiction of the Trade Marks Opposition Board to make such findings although my informal reaction based on the evidence of record is that the applicant did not contravene Section 58. In any event, the opponent has failed to meet the evidential burden on it and consequently the second ground is also unsuccessful. The present case can be contrasted with the situations in E. Remy Martin & Co. S.A. v. Magnet Trading Corp. (HK) Ltd. (1988), 23 C.P.R.(3d) 242 (T.M.O.B.) and Co-operative Union of Canada v. Tele-Direct (Publications) Inc. (1991), 38 C.P.R.(3d) 263 (T.M.O.B.) where the opponent in each case had made out a 'prima facie' case that the applicant's use of its mark was in violation of a federal statute.

My statement that the Opposition Board cannot make such findings was intended to apply to criminal findings only. I did not intend it to apply to a finding of whether or not an opponent had made out a 'prima facie' case that there had been a contravention of Section 58 of the Canada Post Corporation Act. A finding of the latter type can be made by the Board and, as noted, has been made in at least two previous opposition cases.

In a previous case, it was submitted that the 'prima facie' test set out in the Remy Martin case was based on the then applicable test for granting an interlocutory injunction and that the test in such cases is now whether or not there is a serious issue to be tried: see Turbo Resources v. Petro Canada Inc. (1989), 24 C.P.R.(3d) 1 (F.C.A.). Although it is true that in

setting out the ‘prima facie’ test in the Remy Martin case I made reference to a Federal Court case dealing with an application for an interlocutory injunction, that reference was illustrative only. The basis for the ‘prima facie’ test is the usual evidential burden on an opponent respecting a Section 30 ground (or any ground, for that matter) in an opposition proceeding. Although the onus or legal burden is on the applicant to show its compliance with the provisions of Section 30 of the Act, there is an evidential burden on the opponent to prove the allegations of fact made in support of its ground of opposition: 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 (F.C.T.D.). In other words, in the present case, the opponent must make out a ‘prima facie’ case that the applicant has not complied with the provisions of Section 30(i) of the Act.

In the present case, it was incumbent on the opponent to adduce sufficient evidence from which it could reasonably be concluded that the applicant’s proposed use of its mark THE POST OFFICE ALTERNATIVE would be in contravention of Section 58 of the Canada Post Corporation Act. Having reviewed the opponent’s evidence, it appears that the applicant’s mark may well suggest a connection with the opponent when used with the applied for services. Given that the parties operate similar businesses under similar styles and that some consumers have already assumed a connection, I find that the opponent has satisfied its evidential burden to show that the applicant’s use of its mark would contravene Section 58 of the Canada Post Corporation Act. The applicant’s evidence does not dispel that conclusion and the second ground of opposition is therefore successful.

As for the third ground of opposition, the opponent has evidenced its two previously filed applications by means of the Billingham affidavit. Since the two applications were pending as of the applicant’s advertisement date, the ground remains to be decided on the issue of confusion between the opponent’s two marks and the applicant’s mark. The material time for considering the circumstances respecting the issue of confusion is the applicant’s filing date in accordance with the wording of Section 16(3) of the Act. Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion. Finally, in applying

the test for confusion set out in Section 6(2) of the Act, I have considered all the surrounding circumstances including those specifically set forth in Section 6(5) of the Act.

The opponent's two marks are inherently weak since they are dominated by the words "mail" and "poste" which are descriptive of the opponent's services and which have been disclaimed in both applications. The opponent has not evidenced the extent to which its two marks have become known. As discussed, the applicant's mark is descriptive of its applied for services and is therefore inherently weak. There is no evidence of any acquired reputation for the applicant's mark.

The length of time the marks have been in use is not a material circumstance in the present case. The opponent's services are "postal services" which presumably covers those services performed by the opponent through its postal outlets. Thus, there is some overlap between the services of the parties since the applicant's application includes such services as photocopying and mail box rentals which are also performed by the opponent. It therefore also follows that there could be some overlap in the natures of the trades of the parties.

As for Section 6(5)(e) of the Act, there is some resemblance between the marks in all respects since all three marks include the word "post" or "poste." However, the marks do differ since the applicant's mark also includes the words OFFICE and ALTERNATIVE. However, to that extent, the words POST OFFICE ALTERNATIVE point directly to the opponent. As also discussed, there is no evidence of use of third party trade-marks or trade-names incorporating the word "post" or "post office" in the same fields of commerce occupied by the applicant and the opponent. Rather, the opponent's evidence points to at least a few instances where consumers mistakenly assumed a connection between a Mail Boxes Etc. outlet and Canada Post.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the resemblance between the services, trades and marks of the parties, I find that the

applicant has failed to satisfy the onus on it to show that its proposed mark is not confusing with the opponent's trade-marks. The third ground is therefore successful.

As for the fourth ground of opposition, the opponent has relied on prior use of a number of its trade-marks and trade-names. It has failed to evidence use of many of those marks and names prior to the applicant's claimed date of first use. However, the marks and names for which use has been shown (e.g. - INTELPOST and Canada Post) are sufficiently similar to the applicant's proposed mark that, in view of my previous conclusions respecting the first three grounds of opposition, I find that confusion is likely. Thus, I find that the fourth ground is successful.

The sixth ground of opposition is based on the provisions of Sections 9(1)(d) and 12(1)(e) of the Act. The opponent contends that the applicant's trade-mark is likely to lead to the belief that the applicant's services have received or are produced, sold or performed under governmental patronage, approval or authority. As with the fifth ground, the material time respecting the sixth ground would appear to be the date of my decision. Likewise, the onus is on the applicant to show its compliance with Section 9(1)(d) but there is an evidential burden on the opponent.

I find that the opponent has satisfied its evidential burden by establishing that it is a Crown corporation and that consumers often associate the ordinary words "post office" with the opponent. Again, given that the applicant has failed to evidence use by other traders of trade-names or trade-marks incorporating the word "post" or variations of that word for services like those included in the present application, I find that the applicant has failed to satisfy its legal burden. The sixth ground is therefore successful.

As for the final ground of opposition, the material time for considering the circumstances respecting the issue of distinctiveness is as of the filing of the opposition. The onus or legal burden is on the applicant to show that its applied for trade-mark actually distinguishes or is adapted to distinguish its services from those of others throughout Canada.

There is, however, an evidential burden on the opponent to prove its supporting allegations of fact.

Again, I find that the opponent has satisfied its evidential burden by establishing a significant association in the public's mind between the words "post office" and the opponent. I have also considered that the opponent apparently enjoys a wider ambit of protection for its marks in view of Mr. Justice Muldoon's interpretation of the provisions of the Canada Post Corporation Act in the Canada Post Corp. decision discussed above. However, in the present case, the opponent has not evidenced use of many of its marks. There is evidence of advertising of its mark INTELPOST and its trade-name Canada Post but there is little or no evidence of any reputation for its other marks.

The applicant, in my view, has not satisfied the legal burden on it. The applicant has not shown that other traders use marks incorporating the word "post" or variations of that word for services similar to some of those performed by both the applicant and the opponent. In view of that fact and in view of my conclusions respecting the other grounds of opposition, I find that the applicant has failed to satisfy the legal burden on it to show that its mark is distinctive. The seventh ground of opposition is therefore successful.

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 5th DAY OF DECEMBER, 1996.

**David J. Martin,
Member,
Trade Marks Opposition Board.**