

IN THE MATTER OF AN OPPOSITION by Western Rice Mills Ltd.
to application No. 1005186 for the trade-mark THE RICE PEOPLE
filed by Libra National Inc. (formerly Libra Trading Co. Ltd.)

On February 10, 1999, the applicant, Libra National Inc., filed an application to register the trade-mark THE RICE PEOPLE based on use of the mark since April 20, 1995, in association with services identified as “operation of a business distributing food products to others” and the wares “rice”. The applicant disclaimed the right to the exclusive use of the word RICE apart from its trade-mark. The application was advertised for opposition purposes on December 29, 1999.

The opponent, Western Rice Mills Ltd., filed a statement of opposition on May 29, 2000, a copy of which was forwarded to the applicant on June 13, 2000. The applicant served and filed a counter statement on June 20, 2000. The opponent filed as its evidence the affidavit of Kevin Chiang. The applicant filed the affidavit of Eva Sun, dated August 21, 2001, along with a certified copy of the file wrapper for file 784,549. Both parties filed a written argument. An oral hearing was not conducted.

The first two grounds of opposition are based on Subsections 30(a) and 30(i) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (hereinafter “the *Act*”). While the legal burden is upon the applicant to show that its application complies with Section 30 of the *Act*, there is an initial evidential burden on the opponent to establish the facts relied upon by it in support of its Section 30 grounds (see *Joseph E. Seagram & Sons Ltd. v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330; and *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R.(3d) 293). The material time for considering the circumstances respecting the issues of non-compliance with Section 30 of the *Act* is the filing date of the application (see *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R.(3d) 469, at p. 475).

The first ground of opposition is based on Subsection 30(a) of the *Act*, the opponent alleging that the application does not contain a statement in ordinary commercial terms of the specific wares and services in association with which the mark has been used. With respect to the test to be applied under Subsection 30(a) of the *Act*, the former Registrar of Trade-marks stated in *Dubiner and National Yo-Yo and Bo-Lo Ltd. v. Heede Int'l Ltd.*, 23 C.P.R. (2d) 128 that an applicant in its application “must clearly set forth wares or services as they are **customarily referred to in the trade** (emphasis added).” Further, in *McDonald's Corporation and McDonald's Restaurants of Canada Ltd. v. M. A. Comacho-Saldana International Trading Ltd. carrying on business as Macs International*, 1 C.P.R. (3d) 101, at p. 104, the Hearing Officer concluded that it was only necessary for the opponents to present sufficient argument in order to meet their initial burden in respect of a Subsection 30(a) ground.

In the present case, the opponent did not present any evidence or argument regarding this ground of opposition. As the opponent did not meet its evidential burden under this ground of opposition, this ground of opposition is unsuccessful.

The second ground of opposition based on Subsection 30(i) of the *Act* does not raise a proper ground of opposition in that the opponent did not allege that the applicant was aware that its applied for mark was confusing with the opponent's trade-mark. Thus, the second ground of opposition is also unsuccessful.

The third ground is that the applicant's trade-mark is not registrable in view of Paragraph 12(1)(b) of the *Act* in that the applicant's mark is clearly descriptive of the character or quality of the wares or services in association with which it is claimed to be used or of the persons employed to carry out such services. Paragraph 12(1)(b) of the *Act* provides as follows:

12. (1) Subject to section 13, a trade-mark is registrable if it is not

(b) whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;

The issue as to whether the trade-mark “THE RICE PEOPLE” is clearly descriptive of the character or quality of the applicant’s wares or services or of the persons employed to carry out such services must be considered from the point of view of the average user of those services. Further, in determining whether the trade-mark “THE RICE PEOPLE” is clearly descriptive, the trade-mark must not be dissected into its component elements and carefully analysed, but rather must be considered in its entirety as a matter of immediate impression (see *Wool Bureau of Canada Ltd. v. Registrar of Trade Marks*, 40 C.P.R. (2d) 25, at pp. 27-28 and *Atlantic Promotions Inc. v. Registrar of Trade Marks*, 2 C.P.R. (3d) 183, at p. 186). While the material date for considering a ground of opposition based on Paragraph 12(1)(b) of the *Trade-marks Act* used to be the date of decision (see *Lubrication Engineers, Inc. v. The Canadian Council of Professional Engineers*, 41 C.P.R. (3d) 243 (F.C.A.)), the Board’s present position is that the material date under s.12(1)(b) is the application’s filing date (see *Zorti Investments Inc. v. Party City Corporation* re: application No. 766,534; *Havana Club Holdings S.A. v. Bacardi & Company Limited* re: application No. 795,803; and *Fiesta Barbeques Limited v. General Housewares Corporation* T-463-02, September 4, 2003). While the legal burden is upon the applicant to show that its trade-mark is registrable, there is an initial evidential burden upon the opponent in respect of this ground to adduce sufficient evidence which, if believed, would support the truth of its allegations that the trade-mark “THE RICE PEOPLE” is clearly

descriptive of the character or quality of the applicant's services.

The opponent in the present case also did not file any evidence to support its Paragraph 12(1)(b) ground of opposition. In any event, while I consider the trade-mark “THE RICE PEOPLE” to be suggestive of the persons employed to carry out the applicant’s services, I do not consider it to be clearly descriptive of either the character or quality of the wares or services in association with which it is claimed to be used or of the persons employed to carry out such services. I have therefore dismissed this ground of opposition.

The final ground of opposition is that the applicant is not the person entitled to registration of the trade-mark in view of Paragraph 16(1)(a) of the *Act* because, at the date on which the applicant first used the trade-mark it was confusing with the opponent’s trade-mark THE RICE PEOPLE. With respect to a ground of opposition under Section 16(1)(a) of the *Act*, there is a burden on the opponent in view of the provisions of Subsections 16(5) and 17(1) of the *Act* to establish its prior use of its trade-mark in Canada as of the applicant's date of first use (i.e. April 20, 1995). Further, the opponent must establish that it had not abandoned its trade-mark as of the date of advertisement for opposition purposes of the present application in the *Trade-marks Journal* (December 29, 1999).

In the present case, the two sub issues regarding the determination of whether the opponent has met its burden under this ground are as follows: 1) Is the Chiang affidavit inadmissible for being comprised of hearsay evidence; and 2) Has the opponent shown use of its

mark pursuant to Subsections 4(1) and 4(2) of the *Act* and non-abandonment of its mark as of the relevant dates?

Mr. Chiang identifies himself as a representative of the family business described as Western Rice Mills Ltd. (“WRM”), as operated by his father Baldwin Chiang as President and John Chiang as the General Manager and Director. He explains that he is a past Director of WRM, but remains active in various aspects of its administration and corporate planning. He states that he has had a direct involvement in WRM affairs, off and on throughout the years, since 1988. He further explains that the preparation of trade-mark documents and records is part of his duties and obligations to the family business.

In paragraphs 5-18 of his affidavit, Mr. Chiang describes the opponent’s business. He explains that WRM was incorporated in or about 1964. He asserts that WRM is the oldest and only rice milling company in Western Canada, in addition to being a retail and wholesale distributor of in-house rice products on behalf of other rice related producers/ manufacturers. He claims at paragraph 10 that WRM is a leading wholesaler in Canada of rice and rice-related food products, and has offices or corporate representation in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

Mr. Chiang refers to the opponent’s trade-mark at paragraphs 19-22 of his affidavit as follows:

19. WRM has used the trade-mark “THE RICE PEOPLE” since at least October 20, 1990, on a continual and selective basis, in addition to demonstrating first use of the trade-mark THE RICE PEOPLE prior to any federal trade-mark application by the applicant, Libra Trading Co. Ltd.
20. Since this time of October 20, 1990, and continuing on to the present date, WRM has used the trade-mark THE RICE PEOPLE on a continual basis in one form or another. WRM has caused the trade-mark to appear extensively and prominently, on selected packaging, signage, advertising, promotional materials published or displayed by WRM for the purpose of distinguishing WRM’s business, wares and services from those of others to selectively targeted clientele, from time to time in one form or another in a continual and consistent basis.
21. In particular, WRM has marked the trade-mark THE RICE PEOPLE on packaging of rice materials provided to corporate retail distributors, marked the trade-mark “THE RICE PEOPLE” on wares, used and displayed prominently (where they can be easily seen and identified by the client), selectively at its place of business, trade shows, including but not limited to marking the trade-mark THE RICE PEOPLE on stationery and fax cover sheets selectively, sent to clients.
22. WRM has also used and displayed the trade-mark THE RICE PEOPLE in selective advertising and performance of various parts of its services provided in paragraphs 8,9,10,11,12,13,14,15,16,17 and 18 including but not limited to the importation and wholesale distribution of rice, packaging of rice, consumer awareness programs, and in providing consultation services to others about merchandising and the marketing placement of rice in the industry, representing itself in the form of WESTERN RICE MILLS as “THE RICE PEOPLE”.

In order to demonstrate prior use of the opponent’s mark, Mr. Chiang relied on various exhibits attached to his affidavit. Appended to Mr. Chiang’s affidavit were the following exhibits, each displaying a variance of the opponent’s trade-mark THE RICE PEOPLE: a copy of the front page of a multimedia program used in multimedia presentations to the corporate boards and marketing executives of major North American food retail/wholesale distributors and manufacturers in North America, Asia and Europe; a representative sample of a promotional flyer dated May 20, 1994, for a “case lot sale” of three types of rice to major North American retail food distributors;

a copy of a representative sample of a letter sent to targeted corporate clientele dated February 14, 1994 regarding pricing and unit quantities of rice available to COSTCO on a letterhead type document; a copy of a letter dated October 7, 1998, distributed by direct mail and fax to targeted corporate clientele; a copy of the opponent's corporate logo as selectively used in letterhead, promotional materials and fax documentations from on or about 1995; and a copy of a piece of paper bearing the opponent's name and address purporting to be a "true copy of the opponent's promotional television advertising".

The applicant put forward the evidence of Ms. Sun to demonstrate that the opponent has not in fact used its mark in Canada. Ms. Sun, a founder, director and officer of the applicant, states that she has had direct involvement in all the wholesale and retail operations of the applicant since approximately 1981 to the date of her affidavit (*i.e.* August 21, 2001) and that she is very familiar with the opponent since the opponent carries on business in the same area of British Columbia as the applicant and is one of the applicant's major competitors in respect of the wholesale sale of rice. Ms. Sun discusses the following at paragraphs 18- 22 of her affidavit:

1) Ms. Sun is very familiar with the opponent, and to her knowledge the opponent has not used or displayed the mark in any advertisements, at its place of business, on business cards, on invoices, on stationery or in any other context in the course of taking orders for, selling or delivering rice;

2) To Ms. Sun's knowledge, the opponent's only use of the mark is on the front of two delivery

trucks as part of the phrase “Western Rice Mills The Rice People”.

3) In Ms. Sun’s opinion, few (if any) of the opponent’s customers would ever see “THE RICE PEOPLE” marked on the above trucks.

4) Ms. Sun regularly interacts with a large number of the opponent’s and the applicant’s customers, and has never heard any of them refer to the opponent as “THE RICE PEOPLE”. In reply to this allegation, Mr. Chiang stated at paragraph 36 of his affidavit that one could naturally come to this conclusion if they conversed with retail clients rather than corporate clients.

With respect to the first sub-issue, I am satisfied that Mr. Chiang was in a position to have personal knowledge of the facts attested to in his affidavit. In this regard, he stated that he was past director of the family owned and operated company, and that he has had a direct involvement in WRM affairs, off and on throughout the years, since 1988. He further explains that the preparation of trade-mark documents and records is part of his duties and obligations to the family business. I would assume that as a past director, and as someone in charge of trade-mark documents and records, he would have access to the company’s past records. In any case, I would assume he would have knowledge of the facts attested to with respect to the relevant period in the present case. I am therefore prepared to find his evidence admissible.

The second question for determination by the Board is whether the opponent has established use in association with its wares pursuant to Subsection 4(1) of the *Act* and with its

services pursuant to Subsection 4(2) of the *Act*. These subsections of the *Act* are reproduced as follows:

4. (1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

(2) 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.

Although Mr. Chiang states at paragraphs 20 and 21 of his affidavit that WRM has caused the trade-mark to appear extensively and prominently on selected packaging of rice materials, and has marked the trade-mark THE RICE PEOPLE on wares used and displayed prominently and selectively at its place of business, trade-shows, etc., the evidence submitted does not corroborate this assertion. In this regard, the opponent did not evidence any packaging of its rice displaying the mark, did not provide any invoices displaying the trade-mark that may have accompanied the rice at the time of sale, and did not show how the mark may have been associated with the wares in any other manner at the time of transfer. Further, Ms. Sun, who identifies herself as a competitor of the opponent, attests that the opponent has not used or displayed the mark in any advertisements, at its place of business, on business cards, on invoices, on stationery or in any other context in the course of taking orders for, selling or delivering rice. As the evidence furnished fails to show use of the mark in the normal course of trade in Canada as of the date of first use of the applicant's mark, (i.e. April 20, 1995), the opponent has not met its burden with respect to its wares.

With respect to the opponent's services, while I agree with the applicant that the onus on a party who wishes to demonstrate previous use under s.16 should be quite high as the party's purpose is to block an otherwise appropriate registration (*Mr. Goodwrench Inc. v. General Motors Corp.* (1994), 55 C.P.R. (3d) 508 at 513), contrary to what the applicant has argued, it was not up to the opponent to show continuous use of its mark. Although I agree with the applicant that Mr. Chiang does not explain, in sufficient detail, when, how or where the opponent used the mark in Canada in association with its services, if the evidence is taken in its totality, I am satisfied that the opponent has shown enough use of its mark in association with its services in order to meet its burden under this ground. I would like to add that the use shown is minimal and I would have expected the opponent, who is the person in possession of all of the facts surrounding the use of the trade-mark, to have put forth stronger evidence of use of its mark in Canada. Further, although there is no specific evidence of continued use of the opponent's mark in association with its services at the date of advertisement of the present application (i.e. December 29, 1999), it can be inferred from the evidence that the opponent was still using its mark in Canada in association with its services because of the evidence of use after that date.

Given that the opponent has met its burden under this ground with respect to services, the remainder of this ground is to be determined on a finding of the issue of confusion. In applying the test for confusion set forth in Section 6(2) of the *Act*, consideration is to be given to all of the surrounding circumstances including the following specifically set forth in s.6(5) of the *Act*: a) the inherent distinctiveness of the trade-marks and the extent to which the trade-marks 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.

In the present case, given that the applicant's mark is identical to the opponent's mark, and the opponent has used the mark with services virtually identical to the services of the applicant and also closely related to the wares of the applicant, I find that there would be a reasonable likelihood of confusion between the applicant's mark and the opponent's mark, notwithstanding the applicant's extensive use of its mark. This ground of opposition is therefore successful.

Accordingly, and with the authority delegated to me under Subsection 63(3) of the *Act*, I refuse the applicant's application pursuant to Subsection 38(8) of the *Act*.

DATED AT GATINEAU, QUEBEC, THIS 20th DAY OF April, 2004.

C. R. Folz
Member,
Trade-Marks Opposition Board