

IN THE MATTER OF AN OPPOSITION
by Mafcote Industries, Inc. to application
No. 655,732 for the mark ROYLCO
filed by Roylco Ltd.

On April 24, 1990, the applicant, Roylco Ltd., filed an application to register the mark ROYLCO for the following wares:

- (1) children's educational and creative products, namely
 - gummed paper
 - name tags and stickers
 - craft papers and craft paper kites
 - paper decorations and calendars
 - finger paint trays and finger paint paper
 - finger puppets
 - flannelboards and felt cutouts
 - chalkboards and chalkboard erasers
 - wall friezes
 - paper certificates and awards
 - blank playing cards
 - plastic counting disks
 - plastic paste spreaders
 - corrugated storage and building boxes
 - magnetic tape
 - note pads
 - pre-cut frame mats
- (2) stationery, namely
 - letter writing pads
 - thank you notes
 - invitations greeting card kits
 - journals
 - paper cutouts for bulletin boards.

The application claims use of the mark in Canada since at least as early as 1975 for the wares denoted by (1), and use of the mark in Canada since at least as early as March 1990 for the wares denoted by (2). The subject application was advertised for opposition purposes on February 13, 1991 and was opposed by Mafcote Industries, Inc. on September 13, 1991. A copy of the statement of opposition was forwarded to the applicant on November 6, 1991.

The grounds of opposition may be summarized as follows:

- (a) the application does not conform to the requirements of Section 30 of the Trade-marks Act because
 - (i) the applicant has not used the subject mark in association with all of the wares set out in the application since the alleged dates of first use,
 - (ii) the applicant could not have been satisfied that it is entitled to use the mark ROYLCO because the applicant was aware of the opponent's prior rights relating to the marks ROYLACE, ROYLIES, ROYLEDGE, ROYLIE, ROYLINING, and ROYAL LACE,

(b) the applied for mark is not registrable, pursuant to subsection 12(1)(d), because it is confusing with the opponent's registered trade marks ROYLACE (regn. No. TMDA 52829) and ROYLIES (regn. No. UCA 05051), covering a number of paper products including such items as shelf paper and doilies.

(c) the applicant is not the person entitled to registration, pursuant to subsection 16(1)(a), because at the alleged dates of first use by the applicant, the applied for mark ROYLCO was confusing with the opponent's marks ROYLACE, ROYLIES, ROYLEDGE, ROYLIE, ROYLINING and ROYAL LACE previously used or made known in Canada by the opponent (or its predecessors in title) in association with "various paper products."

The applicant responded by filing and serving a counter statement generally denying the grounds of opposition.

The opponent's evidence consists of the affidavit of its president namely, Steven A. Schulman. The applicant did not request leave to cross-examine Mr. Schulman on his affidavit, nor did the applicant file any evidence in support of its application. Both parties filed a written argument, however, neither party requested an oral hearing.

With respect to the ground of opposition denoted by (a)(i) above, the opponent has not filed any evidence to show that the applicant has not used the mark ROYLCO as alleged in the subject application. As the opponent has not met its evidential burden to support this ground of opposition, it need not be considered further: see Joseph E. Seagram & Sons v. Seagram Real Estate Ltd. (1984), 3 C.P.R.(3d) 325 at pp. 329-330 (TMOB), and see John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R.(3d) 293 at pp. 297-300 (F.C.T.D.).

The opponent relies on paragraph 19 of Mr. Schulman's affidavit to support its ground of opposition denoted by a(ii) above. According to Mr. Schulman, the applicant "has been a distributor of the Opponent's products in the past" and therefore was aware of the opponent's marks. However, the fact that the applicant was aware of the opponent's marks would not, by itself, have precluded the applicant from genuinely and accurately making the statement required by subsection 30(i) of the Act that the applicant was satisfied that it was entitled to use the mark: see Lorillard, Inc. v. Fabriques de Tabac Reunies S.A. (1990), 30 C.P.R.(3d) 406 at p. 408 (TMOB); Taverniti S.A.R.L. v. D.G.G.M. Britton Holdings Inc. (1986), 8 C.P.R.(3d) 400 at pp. 404-405 (TMOB). Thus, the opponent has not pleaded sufficient facts to raise a ground of opposition based on subsection 30(i). It may be that the opponent also intended to allege that the applicant could not have been satisfied that it was entitled to use the mark ROYLCO because it was confusing with one or more of the opponent's marks. However, even if that allegation had been pleaded, the success of ground a(ii) would still be contingent on a finding of confusion between ROYLCO and one or more of the

opponent's marks.

As far as I am able to determine from the opponent's evidence, it appears that the opponent's main mark is ROYAL LACE, and that the opponent's secondary mark is ROYAL CRAFT (for paper baking cups). The examples of use of the mark ROYAL LACE evidenced by the exhibit material relate mostly to (paper) doilies and to shelf paper, and there is one example of use in association with wrapping paper. The opponent did not rely on its mark ROYAL CRAFT in the statement of opposition and therefore any consideration of that mark is irrelevant in this proceeding. Although the opponent has provided examples of use of its mark ROYLIES on paper doilies and placemats, the mark is embossed on those wares in such a manner as to be almost imperceptible. Consequently, I am not prepared to infer that the mark ROYLIES has acquired a significant reputation. There is no convincing evidence that the opponent has used its other marks to any significant extent.

In view of the above, the success or failure of the opponent's case turns on ground (c) above. That is, the determining issue in this proceeding is whether the applied for mark ROYLCO, used in association with the wares specified in the subject application, is confusing with the opponent's mark ROYAL LACE used in association with doilies, shelf paper, and wrapping paper.

The legal burden is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of Section 6(2), between the applied for mark ROYLCO and the opponent's mark ROYAL LACE. In determining whether there would be a reasonable likelihood of confusion, I am to have regard to all the surrounding circumstances, including those enumerated in subsection 6(5), shown below. The presence of a legal burden on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant: see John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R.(3d) 293 at pp. 297-298 (F.C.T.D.). The material time for considering the issue of confusion arising pursuant to the ground of opposition alleging non-distinctiveness is as of the filing of the opposition, in this case September 13, 1991: see Re Andres Wines Ltd. and E. & J. Gallo Winery (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.); Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.). Further, I am permitted to take into account evidence of the surrounding circumstances including, for example, the parties' sales and advertising under their respective marks up to the material date: see Castle & Cooke, Inc. v. Popsicle Industries Ltd. (1990), 30 C.P.R.(3d) 158 (TMOB).

subsection 6(5)

In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to

which they have become known;
(b) the length of time the trade-marks or trade-names 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 or trade-names in appearance or sound or in the ideas suggested by them.

With respect to subsection 6(5)(a), I consider that the marks ROYLCO (aurally "royal co") and ROYAL LACE are inherently weak, both being somewhat laudatory. As to the inherent weakness of the word "royal" (or its truncated form "royl"), reference may be made to the decision in Charles Yeates & Co. v. IGA Distributing Co. (1961) 37 C.P.R. 173 (Ex. C.). The opponent's evidence is that the combined wholesale value of its paper products sold under its marks ROYAL LACE, ROYLACE, ROYLIES and ROYAL CRAFT amounted to \$540,000 for the period 1981 - 1991 inclusive. The retail value would be 130% to 200% greater. The opponent's evidence suffices to show that the opponent's mark ROYAL LACE has achieved at least some measure of reputation in Canada, but the evidence is not precise enough to allow me to infer that the mark ROYAL LACE has achieved a significant reputation in Canada. There is no evidence that the applicant's mark ROYLCO has achieved any reputation in Canada.

The length of time that the marks have been in use favours the opponent at least with respect to the wares denoted by (2), where use began in 1990. Although the opponent asserts use of its marks dating back to the 1930's, the opponent's quantitative evidence of sales only commences in 1981. Sales for the period 1981 - 1983 inclusive were low, averaging about \$6,100 (wholesale) per year. I am not prepared to give much weight to the opponent's lengthy period of use in the absence of evidence of substantial sales prior to 1981.

With respect to subsection 6(5)(c), the nature of the parties' wares are similar in so far as both parties sell ordinary paper products intended for household use. Most of the parties' products differ, however, with respect to their particular purpose. For example, there is no commonality of purpose between the opponent's wares namely, doilies, shelf paper, and wrapping paper, and the applicant's stationery products. There is, however, some potential for overlap in purpose between the applicant's wares namely, gummed paper, craft paper, and paper decorations, and the opponent's aforementioned wares sold under the opponent's mark ROYAL LACE. With respect to subsection 6(5)(c), I would expect that the opponent's doilies and shelf paper, and the applicant's gummed and craft paper and paper decorations, might be sold through the same types of smaller retail outlets, or in the same areas or departments of larger retail outlets.

With respect to 6(5)(e), the resemblance between the marks is accounted for by the prefix ROYAL and its truncated form ROYL. However, given that the component ROYAL is inherently weak, consumers may be expected to focus on other components of the marks in issue to distinguish

between them.

The opponent submits that confusion is more likely because the opponent owns a "family of marks" having the prefix ROYAL or ROYL. However, the opponent has not established that there was actual use, above the *de minimus* level, of its family of marks aside from the mark ROYAL LACE. The opponent's family of marks does not assist the opponent since the opponent has not established that consumers are aware of its family of marks.

Considering the above, and keeping in mind that the test for confusion is one of first impression and imperfect recollection, I find that the applicant has not met the legal burden on it to show that the marks are not confusing with respect to the following wares:

gummed paper, craft papers, paper
decorations.

Accordingly, the application is refused with respect to the three above mentioned wares.

Otherwise, the opponent's opposition is rejected.

Authority for a divided decision is found in Produits Menager Coronet Inc. v. Coronet-Werke Heinrich Scherf GmbH (1986), 10 C.P.R.(3d) 482 (F.C.T.D.).

DATED AT HULL, QUEBEC, THIS 28TH DAY OF JULY, 1994.

Myer Herzig,
Member,
Trade-marks Opposition Board