

**IN THE MATTER OF AN OPPOSITION by
Giles Enterprises Inc. to application No. 780,101
for the trade-mark CAMPERO & Design_
filed by Campero International Corp.**

On April 11, 1995, the applicant, Campero International Corp., filed an application to register the trade-mark CAMPERO & Design based upon proposed use of the trade-mark in Canada in association with meat, fish, poultry and game; meat extracts, preserved, dried and cooked fruits and vegetables; jellies, jams; eggs, milk and milk products; chips, salads, edible oils and fats; salad dressings and preserves; coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals; bread, pastry and confectionary; ices; honey, treacle; yeast, baking powder; salt, mustard; vinegar, sauces; spices and ice; restaurant and fast food restaurant services. During prosecution, meat extracts were deleted from the statement of wares and the following wares were further defined as follows: milk and milk products namely cheese, yogurt, ice cream, whipped cream, sour cream and baked custard; preserves, namely stewed fruit and vegetables; flour and preparations made from cereals, namely flour specially prepared to fry chicken, fish or any other kind of meat; and confectionary, namely candies and chocolates.

The application was advertised for opposition purposes on December 11, 1996. Due to an error in the statement of wares in the advertisement, the application was re-advertised on March 26, 1997. The mark is shown below:

The opponent, Giles Enterprises, Inc., filed a statement of opposition on July 9, 1997. The applicant filed and served a counter statement.

The opponent filed as its evidence certified copies of Canadian trade-mark registrations Nos. TMA461,477, TMA445,969, and TMA336,314 and the affidavit of David Byrd. As its evidence, the applicant filed the affidavit of Jennifer Leah Stecyk. In reply, the opponent filed the affidavit of Jo-Anne Kennedy. None of the affiants were cross-examined on their affidavits.

Each party filed a written argument and an oral hearing was held at which both parties were represented.

All of the grounds of opposition are premised on the opponent's use, making known and registration of the three trade-marks shown below:

LE POULET FRIT CHESTER & Design
Registration No. 461,477

As the differences between the two CHESTER FRIED & Design marks are not significant, I will refer to them both as the CHESTER FRIED & Design mark hereafter.

The first ground of opposition is based on Paragraph 12(1)(d) of the *Trade-marks Act*, the opponent alleging that the applicant's trade-mark is not registrable in that it is confusing with the mark CHESTER FRIED & Design registered under No. 336,314 for electric deep-fat chicken fryers for commercial use, batter, marinade, and breading, as well as under No. 445,969 for restaurant services, take-out food services, and operating free standing food preparation stands, and the mark LE POULET FRIT CHESTER & Design registered under No. 461,477 for all of the aforementioned wares and services.

The second ground of opposition is based on Subsection 16(3) of the *Act*, the opponent alleging that the applicant is not entitled to register the trade-mark CAMPERO & Design since, at the date of filing of the application, the trade-mark was confusing with the opponent's trade-marks CHESTER FRIED & Design and LE POULET FRIT CHESTER & Design, and the depiction of a chicken in a wide-brimmed hat which forms a dominant and distinctive portion of those marks of the opponent, which have been previously used and made known in Canada by the opponent in association with, *inter alia*, batter, marinade and breading and restaurant services, take-out food services and operating free standing food preparation stands.

The wording of Section 16 allows opponents to rely on their prior use or making known of trade-marks or trade-names. The opponent does not refer to its depiction of a chicken in a wide-brimmed hat as a trade-mark, but rather as a dominant and distinctive portion of its CHESTER FRIED & Design and LE POULET FRIT CHESTER & Design trade-marks. Accordingly, I will only consider the Section 16 ground of opposition to the extent that it is based on those two trade-marks.

The third ground of opposition is that the applicant's trade-mark is not distinctive nor has it been adapted to distinguish the wares and services of the applicant from the wares and services of the opponent.

The fourth ground of opposition is that the application does not comply with the requirements of Subsection 30(i) of the *Act* in that the applicant could not have been

satisfied that it was entitled to use the applied for mark in Canada because it was aware of the prior trade-marks of the opponent as set out above.

The material dates with respect to the grounds of opposition are as follows:

Paragraph 12(1)(d) - the date of my decision [*Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks*, 37 C.P.R. (3d) 413 (FCA)]; Paragraph 16(3)(a) - the date of filing of the application; non-distinctiveness - the date of filing of the opposition [*Re Andres Wines Ltd. and E. & J. Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.)]; Section 30 - the filing date of the application [*Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R. (3d) 469, at p. 475].

Each of the grounds of opposition is based on the likelihood of confusion between the applicant's CAMPERO & Design mark and the opponent's CHESTER FRIED & Design or LE POULET FRIT CHESTER & Design trade-mark. The test for confusion is one of first impression and imperfect recollection. In applying the test for confusion set forth in Subsection 6(2) of the *Trade-marks Act*, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in Subsection 6(5) of the *Act*. Those factors specifically set out in Subsection 6(5) are: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; and the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. The weight to be given to each relevant factor may vary, depending on the circumstances [*Clorox Co. v. Sears Canada Inc.* 41 C.P.R. (3d) 483 (F.C.T.D.); *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R. (3d) 308 (F.C.T.D.)].

There is a legal burden on the applicant to establish that there would be no reasonable likelihood of confusion between the marks in issue. This means that if a determinate conclusion cannot be reached, the issue must be decided against the applicant [*John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293].

I will summarize the parties' evidence before assessing each of the factors set out in Subsection 6(5).

David Byrd, the Vice-President of Giles Enterprises, Inc., attests that, through its licensed retail outlets, the opponent has offered take-out and restaurant food services in Canada since at least as early as 1986 in association with one or more of the trade-marks CHESTER FRIED & Design and LE POULET FRIT CHESTER & Design. The opponent's chicken products (which are defined in the affidavit as Prepared ready to eat fried chicken) are supplied to its licensed retail outlets in Canada through four distributors who service over 800 licensed retail outlets located in nine of the provinces. As Exhibit AB, Mr. Byrd provides representative samples of the packaging used by the opponent's licensed retail outlets in association with the provision of take-out and restaurant food services with respect

to chicken products. He also provides wholesale sales figures for Canadian take-out and restaurant food services for each of the years 1988 through 1997.

Approximately \$30,000 is spent each year by the opponent on advertisements in Canadian magazines such as Grocer Today and Western Grocery. A representative advertisement has been provided as Exhibit AC@. A sample menu of one of the opponent=s Canadian licensed retail outlets is provided as Exhibit AD@.

Ms. Stecyk, a trade-mark searcher, introduces the results of a trade-mark search that she conducted on April 17, 1998. The search was aimed at locating active Canadian applications and registrations for trade-marks that contain a depiction of a chicken wearing a hat and that are used in association with food and restaurant related wares and services. Particulars were provided of twenty marks. Three of these are the opponent=s and one is the applicant=s. Fourteen different parties own the remaining sixteen registered marks. Two of the sixteen chickens are wearing what might be called Acowboy-style@ hats; the remaining wear different style hats, such as chef hats or top hats. As full registration pages have not provided, one cannot tell if the sixteen registrations were secured on the basis of use of the marks in Canada.

Ms. Kennedy, a trade-mark searcher, provides evidence that two of the sixteen registrations referred to above were expunged in 1998. Both of these related to depictions of chickens wearing chef hats.

The main flaw in the opponent=s evidence is that it is clear that the opponent uses its marks in Canada through Alicensed retail outlets@ and there is no evidence that enables me to conclude that the use by the licensed retail outlets accrues to the benefit of the opponent. In order to do so, such use would have to comply with Subsections 50 (1) or 50 (2) of the *Act*, which are reproduced below:

50 (1) For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trade-mark to use the trade-mark in a country and the owner has, under the licence, direct or indirect control of the character or quality of the wares or services, then the use, advertisement or display of the trade-mark in that country as or in a trade-mark, trade-name or otherwise by that entity has, and is deemed always to have had, the same effect as such a use, advertisement or display of the trade-mark in that country by the owner.

(2) For the purposes of this Act, to the extent that public notice is given of the fact that the use of a trade-mark is a licensed use and of the identity of the owner, it shall be presumed, unless the contrary is proven, that the use is licensed by the owner of the trade-mark and the character or quality of the wares or services is under the control of the owner.

The opponent does not benefit from Subsection 50(1) because there is no evidence that the opponent controls the character and quality of the licensed wares or services. (With respect to the wares pleaded in the statement of opposition, there is not even any evidence of use.) The use also does not meet the requirements of Subsection 50(2) because none of the packaging indicates that the marks are being used under licence. In addition, none of the packaging materials identify the owner of the CHESTER FRIED & Design or LE POULET FRIT CHESTER & Design trade-marks; instead, the materials identify ACHESTER FRIED@ as a registered trade-mark of the opponent. Moreover, I note that the menu in Exhibit AD@ starts

off with the heading **AYoung=s CHESTER FRIED CHICKEN EXPRESS@**, which suggests that the source is Young, not the opponent. There does not appear to be any reference to the opponent on the menu.

Although the opponent refers to the Canadian outlets as retail outlets, they clearly function as more than mere retailers as they perform the services and do not merely resell the products that the opponent sells to them, given that the chicken products clearly require cooking before being sold to the public in association with the opponent=s trade-marks. I would also point out that chicken products are not one of the wares pleaded in the statement of opposition or covered by the opponent=s registrations.

The opponent has argued that because there is evidence that the opponent supplies chicken products and packaging to its licensed retail outlets, this demonstrates that it controls the character and quality of the wares and services associated with its trade-marks. I do not think that this necessarily follows. First, Subsection 50(1) requires that the owner has, under the licence, direct or indirect control of the character or quality of the wares or services. There is no evidence here that the opponent supplies product and packaging to the licensed retail outlets pursuant to the licences, or that the licensed retail outlets are required to purchase such items from the opponent. Even if the licensees were required to use only the supplied packaging, this might not amount to control of the character or quality of the wares or services, but rather to the control of consistent trade-mark usage [see *Petro-Canada v. Air Miles International Holdings N.V.* (1998), 83 C.P.R. (3d) 111 (TMOB) at pp. 119-120]. There is no evidence that the opponent controls the character and quality of the restaurant services, take-out food services and operating free standing food preparations stands. There is also no evidence that the opponent=s CHESTER FRIED & Design and LE POULET FRIT CHESTER & Design marks have ever been associated with the wares referred to in its statement of opposition, namely batter, marinade and breading .

The opponent has also argued that it advertises its marks in Canada. Certainly, advertisement of a mark can qualify as use of a mark in association with services pursuant to Subsection 4(2) of the *Act*, but the ad in Mr. Byrd=s Exhibit AC@ is not for restaurant services, take-out food services and operating free standing food preparations stands; rather, the ad is for a **Abranding program@** and is targeted at potential licensees or providers of the restaurant services, not at potential consumers of the opponent=s restaurant-type services.

With respect to the Subsection 16(3) ground of opposition, there is an initial burden on the opponent to evidence use or making known of its trade-marks prior to the applicant=s filing date by it or a licensee whose use satisfies the requirements of Section 50 of the *Act*. As this has not been done, the Subsection 16(3) ground of opposition cannot succeed.

Regarding the Subsection 30(i) ground of opposition, the legal burden or onus is on the applicant to show that its application complies with Section 30. However, to the

extent that the opponent relies on allegations of fact in support of its Section 30 ground, there is an evidential burden on the opponent to prove those allegations [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330]. There is no evidence that the applicant was aware of the opponent's trade-marks, as alleged by the opponent. Accordingly, the opponent having not met its evidential burden, the Subsection 30(i) ground of opposition fails.

I turn now to my consideration of the Subsection 6(5) factors as they relate to the two surviving grounds of opposition.

Both parties' marks are inherently distinctive. Although the inclusion of a chicken in each design is suggestive of some of the parties' wares and services, the additional design and word components result in each mark being inherently distinctive. This factor therefore favours neither party.

The extent to which each mark has become known in Canada favours the opponent but only to a small degree. Exhibit AC@ to the Byrd affidavit shows promotion of the opponent's CHESTER FRIED & Chicken Design trade-mark to store owners who might wish to obtain a franchise. The opponent says that it has spent approximately \$30,000 each year@ to place advertisements of this nature into Canadian magazines such as Grocer Today and Western Grocery. No evidence has been provided of the circulation figures of these magazines and it is unclear as to which years are included in each year@. Nevertheless, as the applicant has not evidenced any use or promotion of its mark, this factor favours the opponent to some degree.

The nature of the wares, services, business and channels of trade appear to be very similar. The opponent states that its take-out and restaurant services are provided in supermarkets, convenience stores, variety stores, and food counters in the food courts of shopping malls, as well as eat-in and take-out restaurants. I will assume that some of these venues would overlap with those of the applicant. It is unclear if the applicant's wares would be sold only through restaurants, as wares of such nature are often sold in grocery stores and the like. The applicant's line of food products extends far beyond the opponent's batter, marinade and breading. Moreover, it appears likely that the opponent's wares would only be sold to its franchisees. Overall, my assessment of this factor leads me to conclude that it favours the opponent heavily with respect to the services, but less so with respect to the wares.

The length of time the marks have been in use would favour the opponent if one accepts the opponent's statement that it has offered take-out and restaurant services in Canada in association with its marks since at least as early as 1986. However, the fact that possibly all of the services have been provided by licensed retail outlets@, whose use has not been shown to enure to the benefit of the opponent, detracts from this being a significant factor in favour of the opponent.

The next consideration is the degree of resemblance between the marks. While it is

true that both marks include the depiction of a chicken wearing a hat with a brim, the resemblance stops there. The dominant feature of each mark is in my view the word components of the marks. The words CHESTER FRIED/LE POULET FRIT CHESTER and CAMPERO are unique and completely different. Even the chicken designs of each mark have notable differences. The opponent's chicken stands to one side of the words and is sporting a sheriff's outfit. The applicant's chicken appears from behind the word CAMPERO and is shown only from the chest up. The applicant's chicken wears only a hat and is holding up a plate of food. Overall the visual similarities between the marks are less than striking. Orally, they are close to non-existent. In idea suggested, the only resemblance is that of a chicken.

In considering the degree of resemblance between the marks, I have borne in mind that the marks are to be considered in their totality and not dissected. Moreover, one is to consider the first impression of a consumer who, having an imperfect recollection of one or more of the opponent's marks, sees the applicant's mark. Given that chicken is the main product being sold at the restaurants, *etc.*, it is unlikely that a consumer would be confused between the parties' marks simply because each mark includes a depiction of a chicken. One would expect that given the suggestive nature of the chicken feature, consumers would be more discerning and focus on other features of the marks. The applicant has argued that the opponent's evidence supports such a conclusion because the opponent's materials refer in many instances to CHESTER FRIED, rather than to its Chicken Design mark or even its composite mark CHESTER FRIED & Design.

Another surrounding circumstance to be considered in this case is the state of the register. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace [*Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432; *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.)]. In addition, 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 [*Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)].

Disregarding any deficiencies that may exist with respect to Ms. Stecyk's affidavit, I cannot make any significant conclusions about the state of the marketplace on the basis of sixteen registrations standing in the name of fourteen different owners, particularly given that fourteen of the sixteen chickens are wearing hats that are very different from those in the marks at issue.

Having carefully weighed all of the relevant considerations, I conclude that the applicant has met the onus of demonstrating that there is no reasonable likelihood of confusion between its CAMPERO & Design mark and either of the opponent's three registered trade-marks CHESTER FRIED CHICKEN & Design, CHESTER FRIED CHICKEN & Design, or LE POULET FRIT CHESTER & Design. In reaching my decision, I have considered that the most crucial or dominant factor in determining the issue of confusion is the degree of resemblance between the trade-marks. As stated in *Beverly Bedding & Upholstery Co. v. Regal Bedding &*

Upholstery Ltd. (1980), 47 C.P.R. (2d) 145 (F.C.T.D.) at page 149, affirmed 60 C.P.R. (2d) 70:

Realistically appraised it is the degree of resemblance between trade marks in appearance, sound or in ideas suggested by them that is the most crucial factor, in most instances, and is the dominant factor and other factors play a subservient role in the over-all surrounding circumstances.

The Paragraph 12(1)(d) ground of opposition is therefore unsuccessful.

The ground of opposition based on non-distinctiveness is also not successful. While the legal burden is on the applicant to establish that its trade-mark is distinctive, there is an evidential burden upon the opponent to establish the facts being relied upon it in support of this ground. In view of my finding that the applicant has met the legal burden on it of showing that its trade-mark is not confusing with the opponent's CHESTER FRIED & Design and LE POULET FRIT CHESTER & Design marks, I find that the applicant's mark does distinguish its wares and services from those of the opponent. To the extent that the opponent relies in this ground of opposition on use of the depiction of a chicken in a wide-brimmed hat which forms a dominant and distinctive portion of those marks, the opponent has failed to show any use of such depiction other than as part of its aforementioned marks. Overall, the non-distinctiveness ground of opposition fails because of the differences between the marks and the non-distinctive use of the opponent's marks by numerous licensees whose use has not been shown to enure to the opponent's benefit.

Having been delegated by the Registrar of Trade-marks by virtue of Subsection 63(3) of the *Trade-marks Act*, I reject the opposition pursuant to Subsection 38(8) of the *Act*.

DATED AT TORONTO, ONTARIO, THIS 24th DAY OF OCTOBER, 2000.

Jill W. Bradbury
Hearing Officer

Trade-marks Opposition Board