



LE REGISTRAIRE DES MARQUES DE COMMERCE

THE REGISTRAR OF TRADE-MARKS

Citation: 2011 TMOB 207
Date of Decision: 2011-10-28

**IN THE MATTER OF AN OPPOSITION
by Monte Carlo Holdings Corp. to
application No. 1,216,708 for the trade-
mark MONTE-CARLO BEACH HOTEL
in the name of Société Anonyme des Bains
de Mer et du Cercle des Étrangers à
Monaco, société anonyme**

Introduction

[1] On May 13, 2004 Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco, société anonyme (the Applicant) filed application No. 1,216,708 to register the trade-mark MONTE-CARLO BEACH HOTEL (the Mark) based on use and registration abroad.

[2] The Applicant claims a priority date of December 23, 2003 on the basis of an application filed in the Principality of Monaco (Monaco) under number 24352 in association with similar wares and services. The Applicant obtained the registration of the Mark in the aforesaid country. For the purpose of this opposition it is not necessary to list all the wares and services covered by this application as the opposition is limited to the following wares and services as per paragraph 6.1 of the opponent's written arguments:

bathroom soaps, antibacterial soaps; perfumery; essential oils for personal use, with a topical application, for skin care; cosmetics, namely : creams, milks, gels, lotions, oils, balms, masks, exfoliants for care of the face, body, hands and feet; hair lotions; cutlery,

forks and spoons; Utensils and containers for household and kitchen use (not made of precious metals, nor plated); bottle openers, plates not made of precious metals; drinking vessels; corkscrews, beverage glassware, dishes not made of precious metals; Beverages, namely mineral or carbonated waters; (the Wares) and

sporting and cultural activities, namely : organization of colloquia, conferences, seminars about computers, restaurants, hotels, the tourist industry, art, music, rental of meeting rooms; organization of competitions; production of films; food services (food); temporary accommodation, hotels, namely : hotels, reservations for hotels, motels, rental of furnished apartments for long, short or medium term stay (the Services).

[3] The application was advertised October 31, 2007 in the *Trade-marks Journal* for opposition purposes. Monte Carlo Hotel-Motel International Inc. filed a statement of opposition on March 26, 2008 which was forwarded by the Registrar on April 17, 2008 to the Applicant. The statement of opposition was once amended to change the address of the opponent. The Applicant filed a counter statement on June 10, 2008 in which it denies all grounds of opposition listed below.

[4] The opponent filed the affidavit of Dominic Meffe sworn on October 10, 2008 as well as supplemental evidence, in the form of a second affidavit of Dominic Meffe sworn on November 20, 2008. The Applicant filed a solemn declaration of Marie-Michèle McDuff, a certificate of authenticity of registration TMA719,591 and extracts of the present file, namely the application filed on May 13, 2004 and the revised application dated July 18, 2007.

[5] Both parties filed written submissions and were represented at the hearing.

Preliminary issues

[6] On May 28, 2009 the opponent requested leave to re-amend its statement of opposition to reflect the change of name of Monte Carlo Hotel-Motel International Inc. to Monte Carlo Holdings Corp. Also it wished to file as additional evidence a third affidavit of Dominic Meffe sworn on May 5, 2009. The Applicant did not object to each of these requests. No decision has been made on these requests. I shall deal with these issues hereinafter.

[7] The purpose of the third Meffe affidavit is to clarify statements made by Mr. Meffe in regard to the use of the Opponent's trade-marks by a predecessor-in-title. It also contains additional information relating to the opponent's change of name to Monte Carlo Holdings Corp. Lastly it provides additional information regarding the licensor/franchisees relationship with respect to the opponent's trade-marks.

[8] At the hearing I mentioned that in view of the nature of the amendments and the content of the supplemental affidavit of Mr. Meffe sworn on May 5, 2009 I was granting leave to the opponent to re-amend its statement of opposition in the form attached to its letter dated May 28, 2009 and to file in the record the third affidavit of Mr. Meffe.

[9] I shall use hereinafter the term Opponent to identify Monte Carlo Hotel-Motel International Inc. and/or Monte Carlo Holdings Corp. as the case may be.

The Grounds of Opposition

[10] The grounds of opposition raised by the Opponent as they appear in its re-amended statement of opposition can be summarized as follow:

1. The Application does not conform to the requirements of s. 30 of the *Trade-marks Act*, R.S.C. 1985 c. T-13 (the "Act") in that the application does not contain any trade-mark which is registrable in accordance with s. 12 of the Act in view of the prior use and registration of the trade-marks set forth in Schedules A and B annexed to the statement of opposition;
2. The Application does not conform to the requirements of s. 30 of the Act in that the Applicant could not have been satisfied that it is entitled to use and register the Mark in Canada in view of the prior use and registration of the trade-marks set forth on Schedules A and B annexed to the statement of opposition;
3. The Application does not conform to the requirements of s. 30 of the Act in that, at the date of filing of the application, namely May 13, 2004, the Applicant had not used the Mark in association with each of the general classes of wares or services described in the application in the country named in the application, namely Monaco;
4. The Mark is not registrable pursuant to s. 12(1)(d) of the Act as it is confusing with the Opponent's registered trade-marks listed in Schedule A annexed to the statement of opposition;

5. The Applicant is not the person entitled to registration of the Mark pursuant to the provisions of s. 16(2)(a) of the Act because at the filing date of the application, the Mark was confusing with the trade-marks as more particularly set forth on Schedule A and B annexed to the statement of opposition that had been previously used in Canada and made known in Canada by the Opponent and the Opponent's predecessor-in-title, 593416 Ontario Inc.;
6. The Applicant is not the person entitled to registration of the Mark pursuant to the provisions of s. 16(2)(b) of the Act because at the filing date of the application, the Mark was confusing with the trade-marks as more particularly set forth on Schedule A annexed to the statement of opposition in respect of which applications had been previously filed in Canada by the Opponent;
7. The Applicant is not the person entitled to registration of the Mark pursuant to the provisions of s. 16(2)(c) of the Act because at the filing date of the application, the Mark was confusing with the name Monte Carlo Hotel-Motel International Inc. previously used in Canada by the Opponent;
8. Pursuant to s. 38(2)(d) and s. 2 of the Act, the Mark is not distinctive in that the Mark does not actually distinguish the Wares and Services from the wares and services of others nor is it adapted so to distinguish them, namely, the wares and services of the Opponent.

Legal Onus and Burden of Proof in Trade-marks Opposition Proceeding

[11] The legal onus is upon the Applicant to show that its application complies with the provisions of the Act, but there is however an initial evidential 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. Once this initial burden is met, the Applicant has to prove, on a balance of probabilities, that the particular grounds of opposition should not prevent the registration of the Mark [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.* (1984), 3 C.P.R. (3d) 325 (T.M.O.B.); *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) and *Wrangler Apparel Corp. v. The Timberland Company* [2005] F.C. 722].

Relevant dates

[12] The relevant date for the analysis of each ground of opposition varies depending on the ground of opposition to be assessed:

- Non-compliance with the requirements of s. 30 of the Act: the filing date of the application (May 13, 2004);
- Registrability of the Mark under s. 12(1)(d) of the Act: the date of the Registrar's decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 424 (F.C.A.)];
- Entitlement to the registration of the Mark, where the application is based on registration in the Applicant's country of origin: the priority date claimed in the application (December 23, 2003) [see s. 16(2) of the Act];
- Distinctiveness of the Mark: the filing date of the statement of opposition March 26, 2008) [see *Andres Wines Ltd. and E & J Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)].

Section 30 Grounds of Opposition

[13] The first ground of opposition, as drafted, is not a proper ground of opposition. If an application does contain a trade-mark that is not registrable pursuant to s. 12, the proper ground of opposition is registrability under that section. Consequently the first ground of opposition is dismissed.

[14] The second ground of opposition is also not a proper ground of opposition. Section 30(i) of the Act only requires that the Applicant declares itself satisfied that it is entitled to the registration of the Mark. Such a statement is included in the application. Prior use of confusingly similar trade-marks is covered by the ground of opposition detailed in s. 16 of the Act and commonly known as “entitlement”, which has been pleaded by the Opponent. As for registered trade-marks, as explained above, the proper ground of opposition is under s. 12 of the Act. Consequently the second ground of opposition is dismissed.

[15] Regarding the third ground of opposition, the Opponent has an evidential burden with respect to its allegation that the Applicant had not used the Mark at the filing date of the application in association with each of the Wares and Services in Monaco. However such burden has been characterized as a light one. Moreover the Opponent can rely on the

evidence filed by the Applicant itself [see *York Barbell Holdings Ltd. v. ICON Health & Fitness, Inc.* (2001), 13 C.P.R. (4th) 156]. However such evidence must raise serious doubts on the accuracy of the statements made by the Applicant in its application [See *Tune Masters v. Mr. P's Mastertune Ignition Services Ltd.* (1986) 10 C.P.R. (3d) 84 (T.M.O.B.), *Labatt Brewing Co. v. Molson Breweries, a Partnership* (1996), 68 C.P.R. (3d) 216 (F.C.T.D.) and *Williams Telecommunications Corp. v. William Tell Ltd.*, (1999) 4 C.P.R. (4th) 107 (T.M.O.B.)].

[16] The Opponent has not filed any evidence that could support its allegation that the Applicant has not used the Mark as of the claimed date of first use mentioned in the application. Moreover the nature of the evidence filed by the Applicant does not raise any doubts on the date of first used alleged in the application. Under these circumstances the third ground of opposition is also dismissed.

Ground of Opposition Based on s. 16(2)(b) of the Act

[17] The applications previously filed by the Opponent which form the basis of this ground of opposition need to be pending at the advertisement date of the present application [see s. 16(4) of the Act]. Those Opponent's applications lead to the registration of the MONTE CARLO INN & Design trade-marks, as defined hereinafter, on May 5, 1995. They were no longer pending on October 31, 2007. Consequently the sixth ground of opposition is also dismissed.

Registrability of the Mark under s. 12(1)(d) of the Act

[18] Under this ground of opposition, the Opponent can simply rely on its certificates of registration without evidencing any prior use of the trade-marks covered by its registrations. I check the register and registrations TMA442,550 and TMA442,551 hereinafter reproduced are extant:

Monte Carlo Inn
(MONTE CARLO INN &
Design)

and



(MONTE CARLO INN & Crown
design)

(collectively referred to as the MONTE CARLO INN & Design trade-marks) [see *Quaker Oats of Canada Ltd./La Compagnie Quaker Oats Ltée. v. Manu Foods Ltd.*, 11C.P.R. (3d) 410]. Therefore the Opponent has met its initial burden of proof.

[19] Consequently the Applicant has the burden to prove, on a balance of probabilities, that the use of the Mark in association with the Wares and Services is not likely to cause confusion with either of the MONTE CARLO & Design trade-marks. The test to determine this issue is set out in s. 6(2) of the Act. I must take into consideration all the relevant surrounding circumstances, including those listed in s. 6(5): the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time the trade-marks have been in use; the nature of the wares, services, or business; the nature of the trade; and the degree of resemblance between the trade-marks in appearance, or sound or in the ideas suggested by them.

[20] Those criteria are not exhaustive and it is not necessary to give each one of them equal weight. In its recent judgment in *Masterpiece Inc. v. Alavida Lifestyles Inc. et al.* 2011 S.C.C. 27 the Supreme Court of Canada has clearly indicated that the most important factor amongst those listed under s. 6(5) of the Act is the degree of

resemblance between the marks. Also the Supreme Court did mention that each of the Opponent's marks must be compared with the Applicant's Mark.

[21] The Applicant has raised at the hearing what it considers defects in the chain in title of the MONTE CARLO & Design trade-marks. It contends that, with the third Meffe affidavit, it is unclear which entity owns the MONTE CARLO INN & Design trade-marks and which entity can claim the benefit of their prior use. The Applicant has not challenged the fact that those trade-marks have been used in Canada in association with hotel services and some personal care products. However it takes the position that the Opponent cannot claim the benefit of such prior use. As it will become apparent from this decision I do not need to address this issue to dispose of this ground of opposition.

[22] The defects, if any, in the chain of title of ownership of the trade-marks covered by these registrations would only affect the assessment of the first two criteria under s. 6(5) of the Act. I consider the degree of resemblance between the parties' marks and the nature of the wares and services and the channels of trade used by the parties to be the key factors in this case.

[23] Before assessing those key factors, I am of the opinion that the parties' trade-marks are weak trade-marks, except perhaps for the trade-mark MONTE CARLO INN & Crown design as the main feature of that trade-mark is clearly the crown design. The size of the letters inside the design forming the word portion of the trade-mark is so small that it is difficult to read the word portion. The distinctive portion of the Mark is MONTE CARLO. It has been proven, through the affidavit of Marie-Michèle McDuff, a student working for the Applicant's agent at the time of execution of her affidavit, that Monte Carlo is a section of Monaco. The words INN or BEACH HOTEL are highly suggestive.

[24] A good portion of the argumentation presented by both parties focused on the issue of the nature of the wares and services and their channels of trade, as well as the degree of resemblance. Certificate of registration TMA442,550 covers the following wares and services:

Hotel/motel services, namely, accommodation, meeting and office facilities, and parking and housekeeping services.

and certificate of registration TMA442,551 covers:

Hand soaps, skin soaps, shampoo, body lotion, drinking cups, slippers, shoeshine kits, shower caps, toothbrushes, hair combs, golf caps, golf shirts, golf windbreakers, golf balls, bomber leather jackets, mattress and box spring sets, pillow throws, cappuccino, coffee and espresso cups and saucers, pens, letter-opener-pen sets and bottled water;

Hotel/motel services, namely, accommodation, meeting and office facilities, and parking and housekeeping services. Sponsorship of hockey teams, soccer teams and sporting events, namely golf tournaments.

[25] The Applicant argues that the Opponent's hotel services are provided mainly in Southern Ontario while those of the Applicant are provided in Monaco. Firstly, the certificates of registration obtained by the Opponent grant it the right to use those trademarks across Canada. As for the Applicant's use of the Mark, I have no evidence to support such contention. The Applicant argues that the fact the address provided in the application is in Monaco enables me to presume that the hotel services are furnished in that country. I will not make such inference. If the Applicant obtains the registration of the Mark it would be entitled, as with the Opponent's registrations, to use the Mark anywhere in Canada.

[26] The Applicant argues that there is a difference in the parties' clientele as an "Inn" would be cheaper than a "motel" or "hotel". I have no evidence in the record to support such contention. There is clearly an overlap when considering the following services:

temporary accommodation, hotels, namely : hotels, reservations for hotels, motels, rental of furnished apartments for long, short or medium term stay

and the following wares in so far as registration TMA442,551 is concerned:

bathroom soaps, antibacterial soaps; perfumery; essential oils for personal use, with a topical application, for skin care; cosmetics, namely: creams, milks, gels, lotions, oils, balms, masks, exfoliants for care of the

face, body, hands and feet; hair lotions; beverages, namely mineral or carbonated waters.

(those wares and services to be referred to as Similar Wares and Services)

[27] The Opponent's trade-mark MONTE CARLO INN & Design and the Applicant's Mark do resemble one another phonetically and in the ideas suggested. Despite the fact that MONTE CARLO is a weak component it is nevertheless the most dominant portion of the parties' trade-marks. It is also the first portion of the marks in issue. The words BEACH, MOTEL, HOTEL and INN are descriptive in nature. The words MOTEL, HOTEL and INN have similar meanings as they identify a place where one expects temporary accommodation in the form of a room or apartment. The addition of the word BEACH in the Mark does not create a mark, as a whole, that would distinguish it from the Opponent's trade-mark MONTE CARLO INN & Design. The design feature of the latter mark is not a dominant feature of that mark.

[28] Taking into consideration all these facts, I conclude that the degree of resemblance between the marks in issue clearly favours the Opponent.

[29] As an additional surrounding circumstance the Applicant is relying on the fact that it did obtain a registration for the trade-mark MONTE-CARLO SPA & Design, certificate of registration TMA719,591. Consequently it should be entitled to obtain the registration of the Mark as the dominant feature in that mark is also the term MONTE CARLO. It has been said on numerous occasions that the issuance of a certificate of registration for a particular trade-mark does not give the right to obtain the registration of another trade-mark, no matter how similar this new trade-mark is compared to the one registered [see *Coronet Heinrich Schlerf GmbH v. Produits Ménagers Coronet Inc.* (1984), 4 C.P.R. (3d) 108 (TMOB)].

[30] For all these reasons I conclude that the Applicant has failed to discharge its burden to prove, on a balance of probabilities, that the Mark when used in association with the Similar Wares and Services, would not cause confusion with the Opponent's registered trade-marks. Consequently I maintain in part the fourth ground of opposition.

Grounds of Opposition Based on s. 16 (2) (a) and (c) of the Act

[31] In order to consider a ground of opposition based on s. 16(2)(a) and (c) of the Act the Opponent has an initial evidential burden to prove that its trade-marks had been used or made known in Canada by the Opponent or its predecessors-in-title prior to the priority date claimed in the application, namely December 23, 2003.

[32] I do not need to summarize in detail the content of the first and second Meffe affidavits. They clearly establish use of the MONTE CARLO INN & Design trade-marks as mentioned previously.

[33] However the Applicant is arguing that there is no evidence of a proper chain of title such that the Opponent cannot rely on the prior use of its alleged predecessor in-title. If that would be the case the Applicant contends that the grounds of opposition based on the Opponent's prior use of those marks would have to be dismissed on the basis that the Opponent failed to meet its initial burden.

[34] In view of the fact that the Opponent has already been successful under s. 12(1)(d) I do not see the need to rule on this issue. Assuming that the Applicant is right and the Opponent cannot rely on the evidence of prior use of the MONTE CARLO INN & Design trade-marks, the grounds of opposition based on s. 16(2)(a) and (c) would be dismissed, but still the application would be partly refused as the Mark is not registrable under s. 12(1)(d) for the Similar Wares and Services.

Distinctiveness

[35] The distinctiveness ground of opposition, as drafted, is insufficiently pleaded. The Opponent has not identified the trade-marks associated with its wares and services sold in Canada so to negate any distinctiveness of the Mark. However the evidence filed by the Opponent makes it clear that the trade-marks used by the Opponent are the MONTE CARLO INN & Design trade-marks. In *Novopharm Ltd. v. AstraZeneca AB et al.* (2002) 21 C.P.R. (4th) 289 (F.C.A.) the Federal Court of Appeal has ruled that the evidence filed

by the Opponent must be considered when determining the sufficiency of a ground of opposition at the hearing stage.

[36] The Opponent has the initial evidential burden to prove that the MONTE CARLO INN & Design trade-marks had become sufficiently known on March 26, 2008, the filing date of the statement of opposition, such that either mark negated any distinctiveness of the Mark [*Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58]. Once this burden is met, the Applicant has a legal onus to show, on a balance of probabilities, that the Mark was not likely to create confusion with either of the Opponent's aforesaid trade-marks such that it was adapted at the relevant date to distinguish or actually distinguished throughout Canada the Wares and Services from the Opponent's wares and services [see *Muffin Houses Incorporated v. The Muffin House Bakery Ltd.* (1985), 4 C.P.R. (3d) 272].

[37] If the MONTE CARLO INN & Design trade-marks have become known in Canada through their prior use at the relevant date, it does not matter which entity (ies) has (have) used them. It would be sufficient to negate the distinctiveness of the Mark if the latter is likely to cause confusion with them. Again I do not need to adjudicate on this ground of opposition in view of the favourable results obtained by the Opponent under s. 12(1)(d) of the Act. In any event it is most likely that I would have maintained in part this ground of opposition for the same reasons as those outlined under the registrability ground of opposition.

Disposition

[38] Having been delegated authority by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I refuse the application only with respect to the following services:

temporary accommodation, hotels, namely : hotels, reservations for hotels, motels, rental of furnished apartments for long, short or medium term stay

and the following wares:

bathroom soaps, antibacterial soaps; perfumery; essential oils for personal use, with a topical application, for skin care; cosmetics,

namely : creams, milks, gels, lotions, oils, balms, masks, exfoliants for care of the face, body, hands and feet; hair lotions; beverages, namely mineral or carbonated waters.

pursuant to s. 38(8) of the Act [see *Produits Menagers Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 C.P.R. (3d) 492 (F.C.T.D.) as authority for a split decision].

Jean Carrière
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office