

IN THE MATTER OF AN OPPOSITION by The Governor and Company of Adventurers of England trading into Hudson's Bay (a.k.a. Hudson's Bay Company) to application No. 832,663 for the trade-mark CO-ORDINATION FOR EVERY ROOM...AFFORDABLY filed by Sears Canada Inc.

On December 31, 1996, the applicant, Sears Canada Inc., filed an application to register the trade-mark CO-ORDINATION FOR EVERY ROOM...AFFORDABLY in association with the following wares:

Home furnishings namely waste baskets, toothbrush holders, cups, toilet cover sets, shower curtains, shower curtain rod covers, shower curtain rings, bath mats, soap dishes, towel racks, doilies, table skirts, textile table cloths, chair pads, furniture throws, scatter rugs, magazine racks, curtains, window shades, dish cloths, pot holders, dish, towels, oven mitts, aprons, ironing boards, ironing board pads, garbage cans, buckets, mops, dusters, dust pans, whisk brooms, brooms, place mats namely textile and plastic mats, toaster and blender covers, dish racks, bathroom scales and kitchen scales, clothes hampers, pictures, greenery, namely live plants, silk plants, rubber plants and plastic plants, statuary, namely plastic, wood, wax, china, crystal earthenware, glass, porcelain, terra cotta, stone, concrete, marble, precious metal and non-precious metal statuary, knick-knacks, prints, vases, occasional pillows, book ends, wall plaques, candles, candle holders, woodcarvings, baskets, namely wicker, straw, wood and cloth baskets, clocks; bedding namely sheets and pillowcases, duvets, comforters, duvet and comforter covers, pillows, dust ruffles, bedspreads, blankets, electric blankets, mattress pads, face cloths; towels; draperies; furniture namely sofas, chairs, rockers, sofa beds, tables, bookcases, entertainment centres, desks, t.v. stands, bar units, bar stools, computer desks, footstools, ottomans, hassocks, filing cabinets, sewing cabinets, bedroom furniture namely beds, headboards, footboards, nightstands, armoires, dressers, cedar chests, wardrobes, closet organizers, benches, make-up tables, mattresses and boxsprings, quilt and comforter stands, suit racks; microwave stands, cabinets, shelving units, buffet and hutch, china cabinets, curio cabinets, mirrors, electric lighting fixtures, ceiling fans, lamps, hammocks, folding screens, telephone stands, coat racks, planters, plant stands; paint and wallpaper; carpeting; and housewares namely glassware, mugs, plates, bowls, cups and saucers, creamers and sugar bowls, butter dishes, salt and pepper shakers, sauce and gravy boats, silverware, canister sets, cutlery, egg cups, tea pots, coffee pots, small appliances namely toasters, toaster ovens, coffee makers, percolators, espresso and cappuccino makers, blenders, mixers, coffee grinders, hot trays, deep fryers, food processors, bread makers, meat grinders, can openers, juicers, electric frying pans, waffle irons, electric grills, indoor barbecues, hand mixers, electric bag sealers, pasta makers, kettles, irons, steam presser, pots and pans, roasters, woks, steamers, mixing bowls, trays, spice racks, mug racks, bread boxes, kitchen utensils namely mixing spoons, potato mashers, spatulas, ladles, bottle and cap openers, knife sharpeners, fork and spoon caddies, cutlery trays, graters, kitchen scales, timers, measuring cups and spoons, pitchers, scrapers, lemon and garlic squeezers, basters, egg slicers, butter curlers, peelers, tongs, fruit and vegetable ballers, syringe icing sets, cake and pie plates, baking pans, baking and cooling racks, casseroles, quiche and souffle dishes, strainers, tea infusers, beaters, slicers, tenderizers, pastry blenders, cookie cutters, salad servers, scissors, knives, cutting boards.

and the following services: "retail department store and catalogue sales services", based on use in Canada since December, 1996. The application was advertised for opposition purposes on November 12, 1997.

The opponent, The Governor and Company of Adventurers of England trading into Hudson's Bay (a.k.a. Hudson's Bay Company), filed a statement of opposition against the above noted mark on April 17, 1998. The opponent was granted leave to file an amended statement of opposition dated August 31, 1998, but was refused leave to file a subsequently amended statement of opposition dated August 6, 1999 (see Board letter dated November 15, 1999). The grounds of opposition, as amended, are as follows:

(a) s.38(2)(a)

The application does not conform to the requirements of section 30 in that, contrary to section 30(b), the applicant has not used the "mark" in association with each of the general classes of wares or services described in the application, because the "mark" is not a trade-mark as defined in section 2, in that the mark is not used by the applicant for the purpose of distinguishing or so as to distinguish the wares or services in the application from those of others, and is not used as a trade-mark in that the mark is not marked on the wares or on packages in which they are distributed nor is in any other manner so associated with the ware or services in the application that notice of the association is then given to the applicant's customers.

(b) s.38(2)(b)

The trade-mark is not registrable in that, contrary to section 12(1)(b), it is clearly descriptive of the character or quality of the wares or services in association with which it is used or proposed to be used.

(c) s.38(2)(c)

The applicant is not the person entitled to registration of the trade-mark, pursuant to s.16(1), in that the mark is not in fact a trade-mark and the applicant has not used it in Canada, nor made it known in association with wares or services.

(d) s.38(2)(d)

The trade-mark is not distinctive of the applicant in that, contrary to section 2, it does not actually distinguish nor it is adapted to distinguish the wares and services of the applicants from the wares and services of others in that the applicant has not in fact used the trade-mark as a trade-mark.

The applicant filed and served its counter statement on December 7, 1998, in which it generally denied the allegations asserted by the opponent in its statement of opposition and also argued that there was insufficient detail in the statement of opposition to enable the applicant to reply to any of the grounds pleaded. In its amended counter statement, the applicant repeated its

arguments about the lack of detail provided by the opponent in both its statement of opposition and in its amended statement of opposition. As its Rule 41 evidence, the opponent submitted the affidavits of Roger Bauman, John Oliver, and Robert W. White. The applicant's Rule 42 evidence consisted of the affidavit of Sharon Landry. As its evidence in reply the opponent filed a second affidavit of Roger Bauman. Both parties filed a written argument and an oral hearing was conducted at which both parties were represented.

Opponent's Rule 41 Evidence

Mr. Oliver identifies himself as Vice-President, Home, of the opponent, responsible for merchandising of non-apparel products, including all home-related and home furnishing products. He states that he has been employed in the Canadian retail industry for over thirty years and has worked for many major department stores in Canada, including the applicant, Eaton's, K-Mart, Woodwards, Zellers and the opponent. Given Mr. Oliver's length of experience in the relevant industry, I am satisfied that he is in a position to comment upon the practice of department stores with respect to advertising.

Mr. Oliver states that it is common practice to use the words "co-ordinates" and "co-ordination" in advertising copy to promote the sale of linens, housewares, furniture and accessories. He further explains that these words are used to describe products which "go together" in terms of colour, style and texture and department stores stress the advantage of being able to purchase a wide range of coordinated items at its stores. Mr. Oliver also states that department store advertising seeks to convey to the consumer that these coordinated items are available at affordable prices.

Mr. Bauman identifies himself as an associate lawyer with the law firm of Hazzard and

Hore. Attached as Exhibit A to his affidavit are photocopies of definitions in the Oxford English Dictionary for the words “co-ordinate”, “coordination”, “every”, “room”, “afford” and “affordably”. Attached as Exhibits B - M to his affidavit are photocopies of Canadian newspaper advertisements dating from December 1996 to January 1998 for various retailers. Many of these advertisements are those of the applicant, although there are also several from The Bay, Wal-mart, Zellers and Eaton’s.

Robert White is Senior Vice-President, Canada, of the Audit Bureau of Circulation. His affidavit provides circulation figures for the issues of the Toronto Star and Vancouver Sun newspapers in which the advertisements included in the Bauman affidavit appeared.

Applicant’s Rule 42 Evidence

Ms. Landry identifies herself as Manager, Trade-marks and Administrative Services for Sears Canada Inc. Ms. Landry states in her affidavit at paragraph 3 that the applicant has used the trade-marks COORDINATION FOR EVERY ROOM...AFFORDABLY in Canada in association with a variety of home furnishings since at least as early as December 1996. She explains that the trade-mark COORDINATION FOR EVERY ROOM...AFFORDABLY is used in English language retail flyers, catalogues and signage, which are distributed and displayed across Canada.

Ms. Landry states that the mark was first used in a Sears retail flyer that was distributed during the week preceding the sale period December 9 to December 15, 1996. Attached as Exhibits B and C to her affidavit are copies of the front pages and interior flyer pages marked with the trade-mark. A photocopy of the manner in which the mark appears in the flyer is shown below. Attached as Exhibits D-K of her affidavit are representative samples of English flyers

distributed in Canada in 1997 showing the mark in association with the applied for goods and services. In excess of 17,300,000 retail flyers were distributed in December 1996 and in excess of 186,000,000 retail flyers were distributed in 1997. I note that the first display of the trademark symbol ® after the mark appeared in the flyer attached as Exhibit F, which was dated March 24-29, 1997.

At paragraph 9 of her affidavit, Ms. Landry states that the mark was used in each of 17 different Sears Catalogues in association with the wares and services in 1998. Approximately 50,500,000 English catalogues were distributed in Canada in 1998 to Sears customers. Representative samples of catalogue pages bearing the marks that were distributed in 1998 are attached as exhibits K-N. Ms. Landry further states that many customers may make all their purchases from the Sears catalogue and never visit a Sears retail store.

With respect to the appearance of the mark on signage displayed in Sears stores, Ms. Landry states that since 1999, the trade-marks have been displayed on a cloth banner bearing the mark near the front of the store (a photograph of which appears below). In addition, each Sears general merchandise retail store displays placard signs bearing the trade-marks in the towel, bedding, dinnerware and furniture departments (if applicable) and each Sears furniture or furniture and appliance store displays one or more placard signs bearing the marks throughout the stores. Attached as Exhibit O to her affidavit are copies of signage bearing the mark COORDINATION FOR EVERY ROOM...AFFORDABLY. A copy of the signage is shown below.

Opponent's Rule 43 Evidence

In his supplemental affidavit, Mr. Bauman states that he visited the Sears department store in Gerrard Square Shopping Centre on May 29, 2000, where he observed cloth banners and placard signs bearing the trade-mark COORDINATION FOR EVERY ROOM...AFFORDABLY in less prominent type and below the mark WHOLE HOME and Design. During a similar visit to a Sears Furniture and Appliance store in Mississauga, Mr. Bauman did not observe any signage displaying the mark COORDINATION FOR EVERY ROOM...AFFORDABLY.

Grounds of Opposition

At the oral hearing, the opponent withdrew the third ground of opposition. This ground will therefore not be considered.

Before addressing each of the other grounds of opposition, I would like to consider the sufficiency of the grounds as pleaded. First, I would like to note that I consider the s.30(b)

ground and s.38(2)(d) ground to have been sufficiently pleaded. In this regard, I consider that the opponent has provided sufficient facts to enable the applicant to reply thereto. I do have concerns, however, with the s.12(1)(b) ground as pleaded. As noted above, the ground as pleaded is as follows:

“The trade-mark is not registrable in that, contrary to section 12(1)(b), it is clearly descriptive of the character or quality of the wares or services in association with which it is used or proposed to be used”.

In its amended counter statement, the applicant stated the following at paragraph 1(b):

“There is insufficient detail set out in paragraph 2(b) of the statement of opposition in order for the applicant to respond to this allegation. The statement of opposition states that the trade-mark is not registrable contrary to Section 12(1)(b) in that the applicant’s trade-mark is clearly descriptive of the character or quality of the wares or services in association with which it is used or proposed to be used. The opponent has not set forth any facts as to why they applicant’s trade-mark is clearly descriptive of the character of the wares or services and therefore this ground of opposition is insufficiently pleaded”.

Alternatively, and in addition, the applicant’s trade-mark is registrable and is not clearly descriptive of the character or quality of the wares or services in association with which it is used or proposed to be used”.

The opponent submits that the ground as pleaded raises an issue of fact, the issue being whether the mark is descriptive of the character or quality of the wares. He submits that no further factual details are required to allow the applicant to respond, or could be provided. He further submits that it would not be appropriate to set out the evidence and argument in the statement of opposition. Finally, he submits that in previous cases, the s.12(1)(b) ground appeared in similar terms as in the present case and was successful.

Section 38(3)(a) of the Trade-Marks Act, R.S.C. 1985, c. T-13, states as follows:

(3) Content - A statement of opposition shall set out

(a) the grounds of opposition in sufficient detail to enable the applicant to reply thereto...

In **Carling Breweries Ltd. v. Molson Companies Ltd.** (1984), 1 C.P.R. (3d) 191 (F.C.T.D.) aff'd (1988), 19 C.P.R. (3d) 129 (F.C.A.), Strayer J. stated the following at p.194 after referring to the above noted provision (which was s.37(3)(a) at the time):

“It is an elementary condition of fairness that each party be adequately informed of the case it has to meet”.

More recently, in **Astra-Zeneca AB v. Novapharm Limited and the Registrar of Trade-Marks** (2001), 15 C.P.R. (4th) 327, the Federal Court of Appeal stated the following about pleadings in a statement of opposition:

“Pleadings precede evidence. The evidence subsequently adduced depends on the allegations contained in the statement of opposition. The sufficiency of those allegations is, under the Act, a prerequisite to the filing of evidence.”

In the present case, the opponent has essentially reproduced the words appearing in s. 12(1)(b) of the Act without providing any supporting allegations of fact. As noted by the applicant, the opponent did not explain why or how it considered the applicant's mark to be clearly descriptive of the character or quality of the wares or services. In order to have done so, the opponent was required under the Act to provide some allegations of fact which were later to be supported by the opponent's evidence. For example, in **Anheuser-Busch, Inc. v. John Labatt Ltd.** (2001), 14 C.P.R. (4th) 548 (T.M.O.B.), the s.12(1)(b) ground was pleaded as follows:

“The alleged trade-mark is not registrable pursuant to s.12(1)(b) of the Act because the phrase ICE GOLD whether depicted, written or sounded, is either clearly descriptive or deceptively misdescriptive of the character or quality of the wares covered by the application, namely alcoholic brewery beverages, or of the conditions of their production. The alleged trade-mark either clearly describes or deceptively misdescribes an alcoholic brewery beverage which is gold in colour and which is produced through a brewing process involving the creation of ice crystals.”

I would like to add that if this had been a case where the supporting allegations of fact were

obvious from the highly descriptive nature of the applied for mark (e.g. TASTY for fruit juice), I may have found the s.12(1)(b) ground to have been sufficiently pleaded. I do not consider this to be one of those cases.

With respect to the authorities relied upon by the opponent wherein the s.12(1)(b) ground appeared in similar terms as in the present case and was successful, I agree with the applicant that the present case can be distinguished from these cases. For example, in the decision **Ralston Purina Canada Inc. v. Quaker Oats Co. of Canada Ltd./Compagnie Quaker Oats du Canada Ltee** (1995), 61 C.P.R. (3d) 540 (T.M.O.B.), although the applicant had submitted in its written argument that the opponent's grounds of opposition were contrary to s.38(3)(a) of the Act, no such assertion was set forth in the applicant's counter statement. In the present case, however, the opponent was made aware of the deficiency of the s.12(1)(b) ground as pleaded at the outset of the proceedings. With respect to the other cases relied upon by the opponent, no information is given as to whether the applicant had asserted in its counter statement that the s.12(1)(b) ground had been pleaded insufficiently. As stated in the **Astrazeneca** case, *supra*, the sufficiency of allegations in the statement of opposition and in the counter statement are a prerequisite to the filing of evidence. In my view, if an applicant fails to raise the issue in its counter statement, and then submits evidence and argument showing that it was fully aware of the case it was supposed to meet, then the applicant has shown that it understood the opponent's ground sufficiently in order to reply thereto. However, if an applicant does raise the issue in its counter statement, in my view, it is up to the opponent to correct the deficiency by filing an amended statement of opposition prior to the evidence stage so that the applicant can submit appropriate evidence in defence of the allegation.

Following the oral hearing, both the opponent and the applicant submitted further written arguments regarding this issue. The opponent's comments with respect to the court's critique of

the Opposition Board practice in the Astrazeneca decision, *supra*, have been noted. However, as argued by the applicant, the Board has a practice for handling issues concerning pleadings and the applicant in the present case has followed that practice. The Opposition Board's responsibility pursuant to s.38(4) and s.38(5) of the Act is only to determine if the statement of opposition raises a substantial issue for decision and is not to ensure that all grounds are properly pleaded. If an applicant has difficulty in replying to a ground of opposition, it may wish to seek clarification or raise an objection in its counter statement, which the applicant did in the present case. The applicant was then put in a position where it had to file its evidence and written submissions in case the pleadings *may* be held to be sufficient.

The opponent submits that it would be inappropriate to deal with such issues at the hearing stage, particularly where no prejudice to the applicant is shown or even alleged. Further, it is the opponent's submission that any alleged inadequacy of the pleadings could have been dealt with at the interlocutory stage, through Rule 40 or 44 of the *Trade Mark Regulations*.

I agree with the opponent that the alleged inadequacy of the s.12(1)(b) ground could have been dealt with through Rule 40 of the Regulations. In this regard, the opponent could have amended its statement of opposition to correct the deficiency in its s.12(1)(b) ground when it initially became aware of the applicant's concerns relating to the s.12(1)(b) ground in the applicant's letter dated June 2, 1998. As noted by former Chairman Partington in the Office letter dated November 15, 1999, the opponent was aware of each of the applicant's concerns relating to the s.12(1)(b) ground when it sought leave under Rule 40 for the first time on September 30, 1998. Given that the opponent had the opportunity to amend its s.12(1)(b) ground to address the applicant's concerns since the beginning of this proceeding, and since it chose not to do so, I do consider it appropriate to consider the sufficiency of the ground as pleaded at this stage of the proceedings.

In view of the above, I find that the s. 12(1)(b) ground, having been insufficiently pleaded, cannot be relied upon by the opponent in this opposition. However, in the event that I am wrong, I will consider the s.12(1)(b) ground as if it had been properly pleaded.

The relevant date for considering the s.12(1)(b) ground is the date of my decision (see **Lubrication Engineers, Inc. v. Canadian Council of Professional Engineers** (1992), 41 C.P.R. (3d) 243 (F.C.A.)). While the onus is on the applicant to prove that its mark is registrable, the opponent has an initial evidential burden to adduce sufficient evidence to support the truth of the allegation. In considering this ground of opposition, it is necessary to approach it from the point of view of the average consumer or user of the wares or services. Also, in determining whether the mark CO-ORDINATION FOR EVERY ROOM...AFFORDABLY is clearly descriptive as applied to various housewares, furniture and accessories, as well as “retail department store and catalogue sales services”, the trade-mark must not be dissected into its component elements 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** (1978), 40 C.P.R. (2d) 25 (F.C.T.D.) at pp. 27-28; and **Atlantic Promotions Inc. v. Registrar of Trade Marks** (1984), 2 C.P.R. (3d) 183 (F.C.T.D.) at p. 186).

In the present case, Mr. Bauman has provided dictionary definitions for the words “co-ordinate”, “coordination”, “every”, “room”, “afford” and “affordably”. Although the footnotes following the dictionary definition for the English word “coordinate” notes that use of the word is primarily in advertising, the definition itself refers to clothing matched as to colour, fabric or other features.

Mr. Oliver, who has been employed in the Canadian retail industry for over 30 years and has worked for many department store chains in Canada, states in his affidavit that it is common

practice in the department store business, when promoting linens, housewares, furniture and accessories, to use the words “co-ordinates” and “co-ordination. He further stresses that “co-ordination” is a key selling point to any department store retailer, and has become especially so in recent years, as retailers seek to cater to consumers who may wish to buy a whole line of co-ordinated items for their homes. The opponent submits that other vendors may well wish to use the applicant’s trade-mark or a similar expression in their advertising in the future.

The opponent has also evidenced representative advertising of the applicant, the opponent, and third parties, in the housewares, furniture and accessories field appearing in the Toronto Star and Vancouver Sun newspapers. Further, Robert W. White, Senior Vice President of the Audit Bureau of Circulation, provides circulation figures in Canada for the newspapers in which the various ads appear but not for the magazine Canadian House and Home in which one of the ads appeared. Amongst the numerous descriptive phrases appearing in the publications were the following:

“Save an additional 25% off the already reduced prices of discontinued bath co-ordinates, Christmas towels,...Save 25-30% ASSORTED JUVENILE COORDINATES.”

“Full line of co-ordinating accessories also available at 25% savings.”

“25% off bridal bouquet co-ordinates.”

“Save 25% assorted tablecloths and kitchen coordinates.”

“½ price “zing bath coordinates coordinating towels, shower curtains and accessories. Choose from a wide selection of solids and prints.”

“Save 25% ‘Heather’ plaid coordinates comforters, duvet covers and matching accessories.”

“We have everything in your home, including fully coordinated living and dining rooms, bedroom suites plus sleep sets.”

“Better Everyday Low Prices Trousseau Bedroom Coordinates”

“There’s more in store for you at UNION. Lighting, furnishings, artwork, accessories... there are thousands of affordable decorative items in attractive co-ordinated settings. When it comes to your home...don’t just settle...Settle for More!”

The opponent submits that the facts in the present case are analogous to the facts in **Quaker Oats Co. of Canada Ltd. v. Ralston Purina Canada Inc.** (1987), 18 C.P.R. (3d) 114 (T.M.O.B.); **Effem Foods Ltd. v. Ralston Purina Canada Inc.** (1996), 74 C.P.R. (3d) 101 (T.M.O.B.); and, in particular, the opposition decision **Quaker Oats Co. of Canada Ltd. v. Ralston Purina Co.** (1989), 28 C.P.R. (3d) 157 (T.M.O.B.). In each of these cases, the Board concluded that the applicant's laudatory promotional phrases were clearly descriptive of the character or quality of dog food or pet food. The opponent submits that in the present case, the applicant's mark is a slogan that describes the scope of the applicant's goods and the nature of the applicant's services. In this regard, the opponent submits that the applicant's mark describes coordinated items for every room and available at low prices.

The applicant submits that the dictionary definitions for the words "co-ordinate" and "co-ordination" refer specifically to wares such as women's clothing which are matched as to colour or fabric or other features and not to the types of wares or services covered by the application herein. With respect to Mr. Oliver's evidence, the applicant submits that this evidence should be given little weight because Mr. Oliver did not submit any exhibits or examples in support of his statements. Further, of those advertisements in the Bauman affidavits that are not those of the applicant, the applicant submits that the word "co-ordinates" in the text of ads are used to refer to items such as bed, bath and kitchen linens and clothing, most of which, the applicant submits, have little or no connection to the applied for wares. The applicant also argues that there is no evidence that the terms used by the applicant are used to describe retail department store services. Further, with the exception of the applicant's own ads, the ads show use of the words "co-ordinates" or "co-ordinating" as a noun or adjective but there are no instances of use by third parties of descriptive terms which convey the idea of "affordable" coordinating items for every

room.

The applicant further emphasizes that the test to be applied is whether the average consumer of the applied for wares and services would consider the mark as a whole descriptive of such as a matter of first impression. The applicant submits that the mark suggests one store with a variety of goods where a consumer can co-ordinate shopping for all rooms in the house. The applicant does not operate a store that sells coordinating or home decorating services. While bed linens may at times be coordinated with bathroom linens, the applicant submits that its wares are quite varied and not designed to all coordinate with one another. For example, the applicant's egg beaters would not be bought to coordinate with the applicant's wall units.

In my view, although the dictionary definitions for the words co-ordinate and co-ordination may refer specifically to wares such as women's clothing, the evidence of Mr. Oliver is clear that these words are also commonly used by department stores when promoting department store linens, housewares, furniture and accessories. Mr. Oliver's evidence is supported by the exhibits attached to Mr. Bauman's affidavit which show numerous advertisements using these words to describe bed, bath and kitchen linens and accessories. In my view, the concept of "affordable" is also conveyed in the advertisements when a discounted or low price is referred to. I am therefore of the view that the average purchaser of department store and catalogue services would conclude that the mark "COORDINATION FOR EVERY ROOM....AFFORDABLY" as applied to such services would clearly describe to the purchaser that this department store is a place where they can buy co-ordinating items for various rooms of their house at a low price. As well, I consider that other department stores may well wish to use descriptive phrases similar to the applicant's in referring to their department store services. As such, I would have found that it would be unfair to allow the applicant to claim a monopoly right to such a phrase (see **Nestle Enterprises Ltd. v. Effem Foods Ltd.** (1989), 28 C.P.R. (3d) 151

(T.M.O.B.) at 153, and **Imperial Tobacco Ltd. v. Benson & Hedges (Canada) Inc.** (1983), 75 C.P.R. (2d) 115 (F.C.T.D.) at 118). Accordingly, I would have concluded that the opponent had met its evidential burden in relation to the s.12(1)(b) ground by showing that the applied for mark would be clearly descriptive of the character, but not necessarily the quality, of the applied for services. Moreover, I would not have found that the applicant's evidence establishes that its mark is registrable with respect to the applied for services in view of Subsection 12(2) of the Act. This ground of opposition would therefore have been successful with respect to the applied for services.

The next ground of opposition that I would like to consider is the opponent's first ground, which is based on s.30(b) of the Act. The opponent alleges that the trade-mark has not been used by the applicant in association with either the wares or services covered in the present application because the mark is not a trade-mark as defined in Section 2 of the Act. In this regard, the opponent submits that the mark is not used by the applicant for the purpose of distinguishing or so as to distinguish the wares or services in the application from those of others, and is not used as a trade-mark in that the mark is not marked on the wares or on packages in which they are distributed nor is in any other manner so associated with the wares or services in the application that notice of the association is then given to the applicant's customers. While the legal burden is on 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 329-330; and **John Labatt Ltd. v. Molson Companies Ltd.**, 30 C.P.R. (3d) 293). The evidential burden on the opponent with respect to the s.30(b) ground in particular however is a light one (see **Tune Masters v. Mr. P.'s Mastertune**, 10 C.P.R. (3d) 84 at 89). Also, the opponent may rely upon the applicant's evidence to meet its initial evidential burden.

The opponent submits that the evidence shows that the applicant's mark consists of a descriptive phrase that has always appeared together with, but in much less prominent letters than, the mark WHOLE HOME & Design, the Sears house brand. The opponent further argues that although the mark WHOLE HOME & Design may well be perceived by consumers as distinguishing the wares and services of the applicant from those of others, nothing in the evidence suggests that the applied for mark distinguishes the wares and services of the applicant from those of others, or would be perceived as a trade-mark in its own right by consumers. In making these submissions, the opponent relies on the supplementary evidence of Mr. Bauman, who viewed the appearance of the applicant's mark on a banner and on two small cards mounted in plastic holders in a Sears store. Mr. Bauman also observed that while the applicant's WHOLE HOME & Design mark appeared frequently around the store, both on packages of wares such as bedding sets and cookware, without the additional text CO-ORDINATION FOR EVERY ROOM...AFFORDABLY. He further testified that he never saw the words CO-ORDINATION FOR EVERY ROOM...AFFORDABLY except together with the WHOLE HOME & Design trade-mark.

The applicant, on the other hand, submits that the applied for mark is a trade-mark and that it does in fact distinguish the wares and services of the applicant from the wares and services of others. In this regard, the applicant submits that the applied for mark appears in a different script, font and size than the applicant's WHOLE HOME & Design mark. Further, the applicant submits that since the ® symbol appears directly after the WHOLE HOME & Design mark, it serves to clearly separate that mark from the applied for mark. The applicant argues that the physical separation of the two marks was further supported by the use of the notation ™ after the applicant's applied for mark, which began in March, 1997. Relying on the decision in **Nightingale Interloc Ltd. v. Prodesign Ltd.** (1984), 2 C.P.R. (3d) 535, the applicant submits that there is nothing to prevent two marks being used at the same time.

With respect to the manner in which the mark is used, the applicant submits that Section 4 of the Act states that a mark is used in association with the wares if it is marked on the wares themselves or on the packages in which they are distributed or 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. The applicant argues that the retail flyers and catalogues are both used for ordering purposes. Further, it is the applicant's submission that retail flyers, and sometimes catalogues, are commonly used by potential purchasers to attend at the retail store to ensure that the right item is purchased at the right price. Finally, the applicant notes that store signage bearing the trade-mark appeared in the store where the goods were displayed at the time of purchase.

Having reviewed the evidence and the parties' submissions, I agree with the opponent that the applicant's mark has not been used as a trade-mark with respect to wares or services. The evidence discloses that the applied for mark never appears without the applicant's WHOLE HOME & Design mark. Although it is common in advertising to use more than one trade-mark at the same time, I do not consider that in the present case the average consumer of the applicant's department store and catalogue services would, as a matter of first impression, perceive the phrase CO-ORDINATION FOR EVERY ROOM...AFFORDABLY as a separate trade-mark. In this regard, even though the applied for mark appears in a smaller and different type of font than the mark WHOLE HOME & Design, and even though the applicant has been using the TM notation following the mark on various flyers since March 1997 (which is not indicative of use in any case and which notation also was not used until after the relevant date with respect to this ground), given the descriptive nature of the applied for mark with respect to the applicant's services and the manner in which it appears below the applicant's WHOLE HOME & Design mark, I consider that the average consumer of such services, upon seeing the applied for mark below the applicant's WHOLE HOME & Design mark, would conclude that the

applicant's store sells co-ordinating items for each room in the house, at a low price.

With respect to the applied for wares, although I do not consider the applicant's mark to be clearly descriptive of the wares, I am not satisfied that the applicant has shown use of its mark in association with the wares pursuant to s.4(1) of the Act. In this regard, there is no evidence that the trade-mark appeared on hang tags or labels affixed to the wares, on the wares themselves or on their packaging, or in any other manner that would have provided the requisite notice of association at the time of transfer. Concerning the applicant's argument that the trade-mark appears on flyers, in catalogues and on banners in the store, I am of the opinion that such use is more akin to use of the applicant's trade-mark in association with the applied for services. In my view, there is no evidence that the mark has been used to distinguish the applicant's household wares and furniture from those of others. This ground of opposition is therefore successful.

The final ground of opposition is based on s.38(2)(d) of the Act, the opponent alleging that the trade-mark is not distinctive of the applicant in that, contrary to section 2, it does not actually distinguish nor is it adapted to distinguish the wares and services of the applicant from the wares and services of others in that the applicant has not in fact used the trade-mark as a trade-mark. My comments above with respect to the s.30(b) ground of opposition, are for the most part, applicable to this ground as well, even though the material date for considering this ground is different. Consequently, this ground of opposition is also successful.

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

DATED AT HULL, QUEBEC, THIS 2nd DAY OF July, 2002.

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