

TRADUCTION/TRANSLATION

**IN THE MATTER OF AN OPPOSITION BY
Métro Richelieu 2000 Inc. to application
No. 1029040 for the trade-mark LE PANIER LE
MOINS CHER property of Loblaws Inc.**

I The proceedings

On September 15, 1999, Provigo Distribution Inc. (“Provigo”) filed an application to register the trade-mark LE PANIER LE MOINS CHER (the “Mark”), based on the proposed use in association with food and grocery store operation services (“Services”). This application was advertised for opposition purposes in the *Trade-marks Journal* on December 20, 2000.

On May 22, 2001, Métro Richelieu 2000 Inc. (“the Opponent”) filed a statement of opposition that was forwarded by the Registrar to Provigo on June 5, 2001. The grounds of opposition set out in the statement of opposition under sections 30(i), 12(1)(b) and 2 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (“Act”), are based on the argument that the Mark is clearly descriptive or deceptively misdescriptive of the character of the Services. Moreover, the Opponent argues that the application does not meet the requirements of section 30(e) of the Act because, at the filing date of the application, Provigo did not intend to use the Mark in Canada as a trade-mark, and, alternatively, Provigo had begun using the Mark in Canada.

On June 27, 2001, Provigo filed a counter statement essentially denying the grounds of opposition raised by the Opponent and alleging that the grounds of opposition are vague and ambiguous and contain no facts supporting those grounds.

The Opponent filed in evidence the affidavit of Andrée Bédard, whereas Provigo filed that of Marie-France Gibson. As additional evidence, the Opponent filed the affidavit of Céline Legault. Both parties filed written arguments, and both were represented at the oral hearing.

While this opposition was pending, the application for registration was assigned to Loblaws Inc. I will refer to Provigo or Loblaws Inc. as the “Applicant”.

II General principles

In proceedings to oppose the registration of a trade-mark, the Opponent must present enough evidence concerning the grounds of opposition raised to show that there are facts supporting those grounds. If the Opponent meets this requirement, the Applicant must then satisfy the Registrar, on the balance of probabilities, that the grounds of opposition should not prevent its trade-mark from being registered [see *Sunshine Biscuits Inc. v. Corporate Foods Ltd.* (1982), 61 C.P.R. (2d) 53, *Joseph Seagram & Sons Ltd. v. Seagram Real Estate Ltd.* (1984), 3 C.P.R. (3d) 325 and *John Labatt Ltd. v. Molson Companies Limited* (1990), 30 C.P.R. (3d) 293].

The grounds of opposition raised under sections 30(e) and (i) and 12(1)(b) of the Act must be analyzed as of the filing date of the application for registration [see *Dic Dac Holdings (Canada) Ltd. v. Yao Tsai Co.* (1999), 1 C.P.R. (4th) 263, *Zorti Investments Inc. v. Party City Corporation* (2004), 36 C.P.R. (4th) 90; *Havana Club Holdings S.A. v. Bacardi & Company Limited*, (2004) 35 C.P.R. (4th) 541], whereas that of the non-distinctiveness of the Mark is generally determined as of the filing date of the statement of opposition [see *Andres Wines Ltd. and E & J Gallo Winery* (1975), 25 C.P.R. (2d) 126 at page 130 (F.C.A.)]. In light of these dates, any evidence subsequent to May 22, 2001, is irrelevant and will be the object of little comment.

II The evidence

Ms. Bédard is legal counsel for the Opponent. At paragraph 3 of her affidavit, she states that the Mark is an expression that is clearly descriptive and/or deceptively misdescriptive because of the character of the Services. However, that statement is a conclusion in law in the context of this opposition. It is the issue before me. Ms. Bédard’s expertise in the field of trade-marks has not been established. Thus, I will disregard that statement.

She filed several cease and desist letters addressed to the Applicant, and/or to stores operating under its banners, regarding certain comparative advertisements in which grocery baskets containing various products and their total cost are shown. In this regard, I refer to Exhibit B of her affidavit dated February 18, 1998. A second cease and desist letter (Exhibit D), dated February 26, 1998, and addressed to the Applicant, concerns the use of the Opponent's MÉTRO mark when [TRANSLATION] "at the entrance to the store, three grocery baskets filled with goods [were displayed] on a platform . . ." with the obvious purpose of comparing the cost of the contents of those baskets. A third cease and desist letter, dated September 9, 1998, and addressed to the Applicant (Exhibit F), refers to the same issue and uses the same language as that used in Exhibit D and reproduced above. It should be noted that attached to that letter are two photographs showing grocery baskets placed on a platform.

Exhibit G of her affidavit is another cease and desist letter, dated June 16, 1999, and addressed to the Applicant, regarding a similar practice in another store operating under its banner. The following passage is from that letter: [TRANSLATION] ". . . the prices are indicated on each side of the baskets, i.e. . . . for the METRO basket, . . . for the IGA basket and . . . for the MAXI basket".

Exhibit K is an advertisement from the supermarket HÉRITAGE in St-Hyacinthe dating back to April 1991 showing grocery baskets with various competitors' marks and containing the following statement: [TRANSLATION] "A comparison of the baskets currently in store proves it in black and white".

Lastly, an excerpt of the magazine *Protégez-Vous* from October 2000, entitled "Test Paniers d'épicerie les moins chers" [cheapest grocery basket test] was filed as Exhibit L. The following sentence is from that article: [TRANSLATION] "Maxi can no longer boast of having the lowest-priced grocery basket".

Ms. Gibson is vice-president of marketing for the Applicant. She explains that the Applicant specializes in food and grocery stores. She states that the Applicant used the Mark for the first

time on September 26, 1999, in a flyer, of which she filed a copy. Since that date, the Applicant has been using the Mark in flyers distributed weekly. She filed samples for 1999, 2000 and 2001.

She alleges that the Applicant is also the owner of the trade-mark THE LOWEST GROCERY BIIL that was registered on June 15, 2001, certificate of registration TMA546653, of which she filed a copy. She alleges that the Applicant used the trade-mark THE LOWEST GROCERY BIIL, and she filed flyers in which that mark appears. It should be noted that the fact that the Applicant obtained a certificate of registration for a mark that might be similar to the Mark does not give it the automatic right to register the Mark [see *Groupe Lavo Inc. v. Procter & Gamble Inc.* (1990), 32 C.P.R. (3d) 533 (T.M.O.B.), at page 538].

She alleges that the Applicant distributes more than two (2) million flyers in Quebec every week, totalling nearly \$9 million in printing costs since 2000. The Applicant's sales since 1999 total \$1,793,000,000. However, there is no indication of use of the Mark in relation to the Applicant's total sales. Moreover, the Mark does not appear on every flyer in Exhibit MG-2. These figures may certainly prove the fame of the PROVIGO or LOBLAWS trade-marks in association with the Services, but I am not prepared to find that, based on these figures, the Applicant has proved that the Mark was known to consumers on the relevant dates. No information was provided on the Applicant's sales in association with the Mark between September 15, 1999 (filing date of the application for registration) and December 20, 2000 (date of publication of the application for registration). Moreover, the Mark in association with the Services could not be associated with the Applicant in the minds of consumers at the time the application for registration was filed because it was done so on the basis of proposed use.

Ms. Gibson states that, to her knowledge, the Applicant is the only entity to have used the Mark in the normal course of trade.

The affidavit of Céline Legault, paralegal at the firm of the Applicant's agents, is used to file in the record the certificates of authenticity of the trade-marks cited in the Applicant's written arguments. Those are examples of marks considered to be suggestive rather than descriptive. As each case must be decided on its own facts, I do not consider this evidence to be conclusive.

III Is the Mark descriptive?

If, in my analysis of the ground of opposition under section 12(1)(b) of the Act, I find that the mark was clearly descriptive or deceptively misdescriptive at the filing date of the application for registration, it would also be so at the filing date of the statement of opposition. However, at that later date, the Mark might have acquired distinctiveness.

It is worth recalling the guiding principles that help to determine whether a mark is descriptive or deceptively misdescriptive within the meaning of section 12(1)(b) of the Act. Thus, Mr. Justice Cattanach set out the prevailing approach in *G.W.G. Ltd. v. Registrar of Trade-marks* (1981), 55 C.P.R. (2d) 1 as follows:

It has been repeatedly stated based on the authority of numerous decided cases:

- (1) that whether a trade-mark is clearly descriptive is one of first impression;
- (2) that the word “clearly” in para. 12(1)(b) of the Act is not a tautological use but it signifies a degree and is not synonymous with “accurate” but means in the context of the paragraph “easy to understand, self-evident or plain”, and
- (3) that it is not a proper approach to the determination of whether a trade-mark is descriptive to carefully and critically analyse the words to ascertain if they have alternate implications or alternate implications when used in association with certain wares and to ascertain what those words in the context in which they are used would represent to the public at large who will see those words and will form an opinion as to what those words will connote: see *John Labatt Ltd. v. Carling Breweries Ltd.* (1974), 18 C.P.R. (2d) 15 at p. 19.

The prohibition set out in section 12(1)(b) of the Act is to prevent one party from monopolizing one or more descriptive words so that competitors may no longer use them in the operation of their businesses [see *General Motors v. Bellows*, [1949] S.C.R. 678 and *Emall.ca Inc. v. Cheap Tickets and Travel Inc.* (2007), 56 C.P.R. (4th) 81].

The evaluation of the descriptive nature of the Mark must take into account the Services in association with which the Mark is used [see *Mitel Corporation v. Registrar of Trade-marks* (1984), 79 C.P.R. (2d) 202 at page 208 (F.C.T.D.)].

Each party filed a long list of decisions favouring the interpretation it would like to give to the Mark: for the Applicant, it is suggestive, whereas for the Opponent, it is clearly descriptive. It must be kept in mind that it is the Applicant that has the burden of establishing on a balance of probabilities that the Mark is registrable within the meaning of section 12(1)(b) of the Act.

As appears from the summary of the Applicant's evidence (taking into account only the evidence prior to September 15, 1999), I agree with the Opponent that none of the cease and desist letters deal with the Mark itself and therefore could be deemed to be irrelevant. However, their content must be considered in the context of this opposition, which addresses whether or not the Mark is clearly descriptive. Thus, I must reproduce paragraph 5 of Ms. Bédard's affidavit, which explains the purpose of that evidence:

[TRANSLATION]

5. In particular, several stores bearing the PROVIGO and MAXI banners have used grocery baskets at the entrance to or inside their stores with the goal of promoting their food and grocery store operation services and comparing them with those of their competitors.

It goes without saying that the slogan that the Applicant is attempting to register is used in a context of comparing the cost of competitors' services. I am satisfied that, through the combination of that allegation and the letters filed, the Opponent discharged its initial burden of proof and thereby placed on the Applicant's shoulders the burden of proving on a balance of probabilities that the Mark is not clearly descriptive or deceptively misdescriptive, not of the Services themselves, but rather of the quality of the Services.

Despite the Applicant's able arguments, I find that, for the reasons that will follow, the Mark is clearly descriptive or deceptively misdescriptive of the quality of the Services. Indeed, the Mark indicates to consumers that the price paid for the Services offered at the Applicant's stores will be the lowest. The Mark may also be deceptively misdescriptive of the Services insofar as the price paid for the Services would not be the lowest when compared with that paid at competitors'

stores. Although the article in the magazine *Protégez-Vous* was published after the relevant date associated with the grounds of opposition under sections 12(1)(b), 30(e) and (i), it illustrates that possibility.

I cannot attach too much importance to the argument that none of the Applicant's competitors had been using that slogan at the relevant dates. That fact cannot be used to justify finding that the Mark is not clearly descriptive of the quality of the Services. It is an innate characteristic of the Mark that does not disappear because it has not been used by competitors.

It is possible to register a clearly descriptive trade-mark if the conditions set out at section 12(2) are proved. However, the Applicant neither pleaded nor proved those conditions. Moreover, it could not invoke those conditions since, to do so, it had to prove that the Mark had become distinctive at the filing date of the application; however, this application is based on proposed use. Therefore, all the Exhibit MG-2 evidence (flyers, several of which bear the Mark) becomes irrelevant in this context.

The Applicant claims that the absence of the word "épicerie" [grocery] in the Mark means that it is at most suggestive of the result of the Services. However, it is the first impression created by the Mark that must be considered [see *Atlantic Promotions Inc. v. Registrar of Trade Marks* (1984), 2 C.P.R. (3d) 183]. The proper approach is not to carefully analyze each word, but rather to refer to the usual meaning of the words. The Mark is a slogan written in point form. There is no doubt in my mind that, when the word "panier" [basket] is used in association with grocery services, what is being referred to is a grocery basket and nothing else. Thus, the Mark, used in association with Services, clearly describes one of the qualities of the Services, namely, that consumers will obtain the lowest-priced grocery basket at the Applicant's stores.

As for the argument that the Mark suggests a result rather than describes a quality of the Services, the key word in this proposition is "suggests". Thus, each of the cases cited in support of this argument found that the mark at issue at most suggested a result. However, I have already found that the Mark clearly describes one of the qualities associated with the Applicant's services.

The Applicant argues that it has proved extensive use of the Mark since the filing date of the application. However, that evidence of use cannot favour the Applicant insofar as that use is prior to the filing date. When a trade-mark is considered to be clearly descriptive of services or wares within the meaning of section 12(1)(b) of the Act, that ground of opposition will succeed. The fact that the Mark had become distinctive at the filing date of the statement of opposition (relevant date for analyzing the ground of opposition based on non-distinctiveness of the Mark) will be of little consolation to the Applicant if the ground of opposition under section 12(1)(b) of the Act is maintained. Incidentally, I have some reservations about using the filing date of the statement of opposition as the relevant date for analyzing the ground of opposition based on non-distinctiveness when the trade-mark has been deemed to be clearly descriptive of one of the qualities of the wares or services at the filing date of the application for registration.

I would like to point out that the evidence filed in this case does not allow me to find that, at the filing date of the statement of opposition, the Mark had acquired distinctiveness. In fact, Ms. Gibson failed to indicate the Opponent's total sales in association with the Mark between September 26, 1999, and May 22, 2001. Moreover, the Mark does not appear on every one of the flyers filed. It would therefore be dangerous to automatically associate the Opponent's total sales figure with the Mark.

IV Conclusions on each of the grounds of opposition

Having found that the Mark is clearly descriptive or deceptively misdescriptive of one of the qualities of the Services, I maintain the ground of opposition based on section 12(1)(b) of the Act.

Regarding the ground of opposition based on section 30(e) of the Act, it is dismissed, since the Opponent failed to discharge its initial burden of proof. Nothing in the evidence set out above indicates that the Applicant does not intend to use the Mark as a trade-mark. As for use of the Mark prior to the filing date of the application for registration, there is no evidence on record to this effect. This ground of opposition is therefore dismissed.

Regarding the non-distinctiveness of the Mark, I have already explained earlier that the Applicant failed to discharge its burden of proof. Therefore, I also maintain the ground of opposition based on the non-distinctiveness of the Mark, since it was descriptive of the Services at the filing date of the statement of opposition.

Having ruled in favour of the Opponent under two different grounds of opposition, there is no need to decide the one based on section 30(i) of the Act.

By reason of the powers delegated to me by the Registrar of Trade-marks pursuant to section 63(3) of the Act, I refuse the Applicant's application to register the Mark, pursuant to section 38(8) of the Act.

DATED AT BOUCHERVILLE, QUEBEC, THIS 11th DAY OF FEBRUARY 2009.

Jean Carrière

Member, Trade-marks Opposition Board

Certified true translation
Tu-Quynh Trinh