



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2012 TMOB 61
Date of Decision: 2012-03-30

**IN THE MATTER OF AN OPPOSITION
by Thai Agri Foods Public Company
Limited to application No. 1,303,011 for
the trade-mark Triangle & Rectangle &
Design in the name of Choy Foong Int'l
Trading Co Inc.**

File Record

[1] On May 26, 2006 Choy Foong Int'l Trading Co Inc. (the Applicant) filed application No. 1,303,011 to register the trade-mark as hereinafter illustrated:



(defined as the Mark or Triangle & Rectangle & Design; 3 peony flowers; Words).

[2] As provided by the Applicant, the translation of the Thai characters is “very delicious taste” and the transliteration is “Aroy-Mak”. The Applicant has disclaimed the right to the exclusive use of the words SUPREME and QUALITY apart from the Mark.

[3] The application was filed on the basis of use in Canada since at least as early as August 1, 2005 and it covers: Canned goods, namely, fruits and coconut milk; bottled and

preserved goods, namely, fish, fruits, vegetables, spices and sugar; condiments namely soy sauce, fish sauce, chili sauce and spices (the Wares).

[4] The application was advertised for opposition purposes in the *Trade-marks Journal* of August 22, 2007. Thai Agri Foods Public Company Limited (the Opponent) filed a statement of opposition on October 10, 2007 which was forwarded by the Registrar to the Applicant on October 30, 2007. The Applicant filed a counter statement on March 3, 2008 in which it denies all grounds of opposition pleaded.

[5] The Opponent filed as its evidence the affidavit of Steven Chan while the Applicant filed the affidavits of Franklin Lam, Ping Di Zhang and Lily Grech. Only Mr. Lam was cross-examined and the transcript of his cross-examination is part of the file, as well as letters and documents attached thereto filed as replies to undertakings. At the hearing the Opponent's agent informed the Registrar that there was no longer a debate as to whether the Applicant had provided answers to all undertakings.

The Grounds of Opposition

[6] The grounds of opposition raised by the Opponent in its statement of opposition are:

1. The application does not satisfy the requirements of s. 30(b) of the *Trade-marks Act* R.S.C. 1985, c. T-13, (the Act) in that the Applicant did not use the Mark in Canada in association with the Wares since the alleged date of first use claimed in the application;
2. Contrary to s. 30(i) of the Act, the Applicant could not and cannot still be satisfied that it is entitled to use the Mark in Canada since, at the filing date of the application, or at any other relevant date, the Applicant was well aware or should have been aware of the existence of the Opponent's trade-marks described herein and the Opponent's continued use thereof in Canada in association with similar wares;
3. The Mark is not registrable in view of s. 12(1)(d) of the Act since it is confusing with Opponent's registered trade-mark AROY-D registered in Canada on March 15, 1991 under No. TMA381,453;
4. The Applicant is not entitled to the registration of the Mark pursuant to s. 16(1)(a) of the Act in that, at the date of first use alleged in the

application, the Mark was confusing with the Opponent's trade-mark AROY-D & Design previously used in Canada by the Opponent directly or through its predecessor in title, in association with similar wares;

5. Pursuant to s. 38(2)(d), the Applicant's Mark is not distinctive in that it does not distinguish nor is it adapted to distinguish the Wares from the wares of others and in particular those of the Opponent or its predecessors in title.

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

[7] 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].

Registrability of the Mark

[8] The relevant date associated to this ground of opposition is 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.)].

[9] In order to meet its initial burden under this ground of opposition, the Opponent has to prove that the registration cited in support to this ground of opposition is extant. Mr. Chan is the Chief Operating Officer of the Opponent and has held this position since November 1, 1999. He filed a certified copy of registration TMA381,453 which covers canned coconut milk, canned fruit, canned vegetables, coconut meat and fish sauce. I checked the register and confirm that such registration is extant [see *Quaker Oats of Canada Ltd./La Compagnie Quaker Oats Ltée. v. Manu Foods Ltd.*, 11 C.P.R. (3d) 410]. Consequently the Opponent has met its initial burden. As such, the Applicant must now

prove that there is no likelihood of confusion between the Mark and the Opponent's registered trade-mark AROY-D.

[10] The test to determine if there is a likelihood of confusion is set out in s. 6(2) of the Act and I must take into consideration all the relevant surrounding circumstances, including those listed in s. 6(5) of the Act: the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; the length of time the trade-marks or trade-names 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 or trade-names in appearance, or sound or in the ideas suggested by them. I refer to the decision of the Supreme Court of Canada in *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 for an analysis of those criteria.

The inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known

[11] The word portion of the Mark namely "AROY-MAK" is a foreign word as declared by the Applicant in its application. There is no evidence however that the average Canadian consumer would know the meaning of that word either in French or English. Being a foreign word, it is inherently distinctive to a Canadian consumer. Moreover the design portion of the Mark together with the presence of Thai characters adds to the distinctiveness of the Mark. However the Mark contains English descriptive words.

[12] The Opponent's registered trade-mark AROY-D is also inherently distinctive.

[13] The distinctiveness of a trade-mark may be enhanced through use or promotion in Canada. I shall now summarize the parties' evidence of their use of their respective trade-marks in Canada.

[14] The Opponent is located in Thailand and operates in the food processing business, selling frozen and canned food products under various trade-marks in Canada including the trade-marks AROY-D and AROY-D & Design. The Opponent's products are

exported in more than 70 countries around the world including Canada. The Opponent's worldwide sales in 2007 were about USD 100,000,000\$.

[15] Mr. Chan alleges that the Opponent has been using the trade-marks AROY-D and AROY-D & Design in Canada since at least as early as 1988 in association with canned coconut milk, and as early as 1990 in association with canned fruits, canned vegetables, coconut meat and fish sauce (all of these wares hereinafter referred to as the Products). For the purpose of this ground of opposition I should point out that any use of the trade-mark AROY-D & Design as illustrated hereinafter constitutes use of the registered trade-mark AROY-D:



[see *Canada (Registrar of Trade Marks) v. Cie internationale pour l'informatique CII Honeywell Bull, S.A.*, (1985) 4 C.P.R. (3d) 523 (F.C.A.) *Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R.(3d) 535 (second principle) (T.M.O.B.)].

[16] The term “use” is a legal term defined in s. 4 of the Act. The Opponent must file evidence to support its contention that it has used its mark since 1988.

[17] Mr. Chan filed sample invoices going back to 1989 to prove shipments and sales of AROY-D Products in Canada as well as representative invoices issued between 2003 and 2008. He provides the yearly sales figures of the Products sold in association with the trade-marks AROY-D and AROY-D & Design in Canada for the period between 2000 and up to May 2008 which vary from over 1.3 million dollars to close to 3.5 million dollars. It sells the AROY-D Products to large supermarket retailers such as Loblaws as well as to some oriental retailers located in British Columbia, Alberta, Ontario and Quebec.

[18] The Opponent's trade-marks are affixed on boxes and can labels of Products sold in Canada and samples of such labels have been provided.

[19] Mr. Chan affirms that the Opponent has promoted the products in association with the trade-marks AROY-D and AROY-D & Design in Canada in print media and has filed relevant ads that circulated in Canadian local newspapers between 2004 and 2008. However those ads are placed in ethnic local newspapers and no circulation figures has been provided. Those newspapers are not of the type where I can take judicial notice of some circulation in Canada such as in the case of *The Globe & Mail* or the *National Post* for example. He also filed a photograph of an ad placed on trucks in Canada.

[20] From this evidence I conclude that the Opponent's trade-mark AROY-D is known to some extent in Canada in association with the Opponent's Products.

[21] Mr. Lam is the Applicant's President and Director. He states that the Applicant was incorporated in 1998 under the laws of Ontario and has its business office in Etobicoke, Ontario. It carries on business as an importer and wholesaler of food and groceries. It imports into Canada various food products from Vietnam, China, Thailand, Malaysia, Singapore and Indonesia. They include amongst others rice, condiments and spices.

[22] Mr. Lam alleges that the Applicant's business has grown continuously since its inception. He provides the Applicant's annual revenue from 2004 to 2008 to illustrate such growth. They went from close to 2 million dollars to approximately 4 million dollars. He states that the annual sales of Wares bearing the Mark represent approximately 5% of the total annual sales of the Applicant, thus from \$100,000 to \$200,000.

[23] I wish to point out at this stage that a good portion of the argumentation at the hearing had to do with the Applicant's assertion that it began to use the Mark as of August 1, 2005. The Opponent challenges such contention. For the purpose of this ground of opposition, I do not need to rule on this issue. I will assume for the purpose of discussion that the Applicant has used the Mark, as applied for, since August 1, 2005 as it appears from a label attached to the Opponent's cease and desist letter dated September 15, 2005 filed as exhibit SC-4 to Mr. Chan's affidavit.

[24] The Opponent has raised the question whether the Applicant can rely on the evidence filed by the Opponent to meet its burden of proof. Under the registrability ground of opposition, the Applicant does not need to prove its use of the Mark since the date of first use claimed in its application. The evidence could show use of the Mark as of August 1, August 2 or September 15, 2005, it would not matter. The date of first use of the Mark becomes relevant when determining the length of time the trade-marks have been in use. As it will appear from my analysis of the various circumstances listed under s. 6(5) of the Act, even if I conclude that the Applicant has used the Mark since August 1, 2005, this conclusion will have no adverse effect on the Opponent.

[25] Mr. Lam states that the Applicant began selling products in association with the Mark across Canada in August 2005 and he filed various sale invoices from August 2005 to date. He alleges that the Applicant does not need to advertise its products. He contends that the Applicant's reputation of selling quality products at reasonable price is spread by word of mouth. The Applicant has promoted the Wares in association with the Mark by giving out free samples to potential customers such as restaurants, grocery stores and supermarkets. He has provided a list of those giveaway promotional samples for the years 2005 to 2006. After 2006, he alleges that there was no need to continue such promotion as the Mark became known in the market.

[26] He states that the Mark appears on labels affixed to cans, packages, boxes, pails. He provides a detailed list of the products sold in Canada in association with the Mark and a picture of each one of them. Again for the purpose of discussion under this ground of opposition, I will assume that any labels filed by the Applicant to show use of the Mark in Canada do in fact constitute evidence of use of the Mark as applied for.

[27] From this analysis I conclude that, based on the sales figures and the date of first use of the parties' respective trade-marks, the Opponent's trade-mark AROY-D is more known than the Mark in Canada.

The length of time the trade-marks or trade-names have been in use

[28] As it appears from the summary of the evidence described above, this factor favours the Opponent as its use of the trade-mark AROY-D goes back to at least 1989.

The nature of the wares, services, or business; the nature of the trade

[29] In general, when considering the nature of the wares and trade of the parties, it is the statement of the wares in the application that governs [See *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.)]. Evidence of the actual trade of the parties could be useful in reading the statement of wares with a view of determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording [See *McDonald's Corp. v. Coffee Hut Stores Ltd.* (1996), 68 C.P.R. (3d) 168 (F.C.A.)].

[30] The Applicant admits that there is an overlap in so far as coconut milk is concerned. It tried to argue that there exists a difference with the other wares: for example between canned vegetables and preserved vegetables.

[31] Mr. Lam alleges that the Applicant's products, which are not limited to the Wares as defined in his affidavit, are sold in 101 supermarkets and restaurants and he has provided a list of them. From that list it appears that the bulk of the Applicant's activities take place in Ontario with a few sales in Quebec and Manitoba.

[32] The Opponent is located in Thailand. It is an exporter. Mr. Chan asserts that the Opponent's Products are sold by it by way of trading companies or brokers and to local Canadian distributors who in turn distribute them to Canadian supermarkets and specialty food stores for resale to the Canadian consumers. Mr. Chan alleges that the Applicant's business is similar to the Opponent's business in that the Applicant is an importer and wholesaler of food products, including some originating from Thailand, the country of origin of the Opponent, and destined for resale to Canadian consumers in supermarkets, food stores and specialty food outlets.

[33] At the hearing the Applicant argued that the parties operate different businesses as the Opponent is an exporter of food products in Canada while the Applicant is an importer of such goods. I fail to see how this distinction would favour the Applicant. In fact as part of its evidence the Applicant filed the affidavits of an owner of a supermarket (the Zang affidavit) and of a restaurant owner (the Grech affidavit) to demonstrate that both parties' products bearing the parties' trade-marks are either sold or used by them. These affidavits show that the parties' products are sold to the same clients, namely food stores and restaurants.

[34] Consequently not only the parties' wares belong in the same general category of wares, namely food products, but they are eventually offered for sale to the same type of customers. No matter if they originate from an importer or an exporter the end result is that they will be sold to the Canadian consumers in food stores or used by restaurant owners. Those factors favour the Opponent.

The degree of resemblance between the trade-marks

[35] 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 often the degree of resemblance between the marks.

[36] The applicable test has been described in the following words by Mr. Justice Binnie of the Supreme Court in *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, [2006] S.C.R. 824 at para. 20:

The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the name *Cliquot* on the respondents' storefront or invoice, at a time when he or she has no more than an imperfect recollection of the VEUVE CLICQUOT trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks.

[37] The Applicant submits that the only resemblance between the marks is the first word AROY. The second component is different and the Mark has a design component.

The Applicant refers to *Best Canadian Motors Inns Ltd. v. Best Western International Inc.* (2004), 30 C.P.R. (4th) 481 to support its contention that one cannot dissociate the design feature of a trade-mark from the mark as a whole. With all due respect for the argument raised by the Applicant, the *Best Western* case is not applicable here. That judgment was rendered in the context of s. 12(1)(b) of the Act. The issue was not to determine the degree of resemblance between two trade-marks.

[38] The marks should not be compared side by side. Moreover, it has been held that the first portion of a trade-mark is the most relevant for the purpose of distinction [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183]. This is more relevant in this case as the first dominant portion of the Mark, the word AROY, is a foreign word, thus inherently distinctive through the eyes of the average Canadian consumer. Consequently there is definitely some resemblance in sound and visually between the marks of the parties.

[39] Unless the trade-mark has some unique and attractive design features, the consumer will likely remember the word portion of a trade-mark. In any event, the test is the imperfect recollection by a casual consumer of the Opponent's trade-mark, namely AROY-D. I have to put myself in the mind of that consumer when facing the Mark. Would that person likely think that the Wares bearing the Mark originate from the Opponent? On a balance of probabilities, I conclude in the affirmative. The parties' wares are in the same general category and their marks do resemble one to another in sound and visually as the first dominant portion of the parties' trade-marks is identical.

Additional surrounding circumstances

[40] The Applicant argues that the evidence shows that the parties' wares bearing the marks in issue are sold in the same stores almost side by side. It contends that the Opponent must show actual confusion in order to succeed. To support such contention, it refers to *John Labatt Ltd. v. Molson Companies Ltd.*, (1990), 30 C.P.R. (3d) 293 (F.C.T.D.). I failed to see how this decision supports the Applicant's contention. The Court had to decide if the Registrar applied the right test in terms of the burden of proof of the Opponent when alleging a s. 30(b) ground of opposition.

[41] The absence of actual confusion might be supportive of the conclusion of the absence of likelihood of confusion. However there has to be evidence of extensive use of the marks by both parties in the same area during a long period of time in order for that circumstance to be relevant. The affidavits of Mr. Grech and Zhang were executed in December 2008 and attest that their companies have purchased since 2005 the parties' wares bearing the marks in issue. They allege that, to their knowledge, there have not been any instances of confusion. However we have no information on the extent of their sales of these products.

Conclusion

[42] I conclude that the Applicant has failed to meet its onus to prove, on a balance of probabilities, that the Mark is not likely to cause confusion with the Opponent's trade-mark AROY-D when used in association with the Wares. Consequently I maintain the third ground of opposition.

Entitlement

[43] This other ground of opposition is also based on the likelihood of confusion, but between the Mark and the Opponent's trade-mark AROY-D & Design as illustrated hereinabove. The differences between the registrability ground of opposition based on s. 12(1)(d) on one hand and entitlement based on s. 16(1)(a) of the Act are the earlier relevant date (August 1, 2005) associated with the entitlement ground of opposition [see s. 16(1) of the Act] and the Opponent's trade-mark relied upon. That earlier date would not be advantageous to the Applicant. It would not be able to rely on the evidence contained in the affidavits of Mr. Zhang and Mr. Grech about the concurrent use of the parties' trade-marks (which in any event I did not consider to be a relevant factor in this case) as well as all the evidence of use of the Applicant's Mark contained in Mr. Lam's affidavit.

[44] The Opponent has discharged its initial burden by showing prior use of its AROY-D & Design trade-mark and that it had not abandoned such use at the advertisement date as described under the previous ground of opposition [see s. 16(5) of

the Act]. I reach that conclusion based on the fact that the Opponent has filed labels bearing the trade-mark AROY-D & Design, which I considered for the purpose of the other ground of opposition as evidence of use of the registered word mark AROY-D. I refer to exhibit SC-2 to Mr. Chan's affidavit. To the conclusions reached above in my analysis of the criteria under s. 6(5) of the Act, I would add, when comparing AROY-D & Design trade-mark with the Mark, both marks have the same degree of inherent distinctiveness, in view of the design portion added to the word mark AROY-D, that the Opponent's trade-mark AROY-D & Design was known in Canada at the relevant date and the degree of resemblance would be visually stronger since the design portion of the Mark is similar to the design portion of the AROY-D & Design trade-mark.

[45] Consequently I also maintain the fourth ground of opposition.

Other grounds of opposition

[46] Having ruled in favour of the Opponent on two separate grounds of opposition, it is not necessary to analyze the other grounds of opposition.

Disposition

[47] Having been delegated authority by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I refuse, pursuant to s. 38(8) of the Act, the application for the registration of the Mark.

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