

**IN THE MATTER OF AN OPPOSITION by  
Cheung Kong (Holdings) Limited  
to application no. 692,232 for the mark  
CHINESE CHARACTERS & Design  
filed by Living Realty Inc.**

On October 22, 1991, the applicant, Living Realty Inc., filed an application to register the mark CHINESE CHARACTERS & Design, illustrated below, based on use in Canada by the applicant and its predecessor in title Longines Realty Corporation in association with “real estate and investment services” since at least as early as November 18, 1985.



The transliteration and the translation for the Chinese characters are CHEUNG, KONG, SA and IP meaning LONG, RIVER, REAL and BUSINESS respectively.

An objection was raised at the examination stage that the applied for mark was confusing with an identical mark, registration no. 310,471, for the same services standing in the name of Longines Realty Company. The objection was vacated when the applicant provided documentation to the Office that Longines had assigned its mark to the applicant Living River. The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated January 26, 1994 and was opposed by Cheung Kong (Holdings) Limited on June 27, 1994. The applicant responded by filing and serving a counter statement.

The first ground of opposition alleges that the applied for mark is not registrable, pursuant to Paragraph 12(1)(d) of the *Trade-marks Act*, because it is confusing with the opponent's mark CHEUNG KONG, registration no. 385,395, used in association with real estate development and investment services. As the opponent has not evidenced its registration, I have exercised my discretion, in the public interest, to verify that registration no. 385,395 is extant: see *Quaker Oats Co. of Canada v. Menu Foods Ltd.* (1986), 11 C.P.R.(3d) 410 at 411 (TMOB).

The second ground of opposition alleges that the applicant is not the person entitled to register the applied for mark , pursuant to subsection 16(1) of the *Act*, because at the date of filing of the application, the applied for mark was confusing with (i) the opponent's mark CHEUNG KONG previously used in Canada in association with real estate and investment services, (ii) the opponent's trade-mark application for the mark CHINESE CHARACTERS (CHEUNG KONG), illustrated below, filed by the opponent on February 23, 1994 under serial no. 748,168 for use in association with real estate development and investment services. As the opponent has not evidenced its application, I have exercised my discretion, in the public interest, to verify that the application is extant: see *Royal Appliance Mfg. Co. v. Iona Appliance Inc.* (1990), 32 C.P.R.(3d) 525 at 529 (TMOB), (iii) the opponent's trade-name Cheung Kong (Holdings) Limited previously used in Canada in association with real estate development and investments services.

application no. 748,168

長江實業(加拿大)有限公司

I have noted that the first four characters of the above application are identical to the four characters comprising the applied for mark.

The third ground of opposition, also pursuant to subsection 16(1) of the *Act*, alleges that the applicant cannot rely on the date of first use set out in the subject application as trade-mark registration no. 310,471 (cited at the examination stage) belonging to the applicant's predecessor in title Longines was expunged for non-use on September 3, 1993 pursuant to a proceeding under Section 45 of the *Trade-marks Act*.

The fourth, fifth and sixth grounds of opposition are reproduced below.

The opponent's evidence consists of the affidavit of Wayne E. Shaw, an officer and director of Cheung Holdings (Canada) Inc., which company is a subsidiary of the opponent. Mr. Shaw was cross-examined on his affidavit and the transcript thereof, and exhibits thereto, form part of the evidence herein. Mr. Shaw's affidavit evidence and testimony on cross-examination are quite uninformative as to the opponent's activities in Canada. On numerous occasions at cross-examination Mr. Shaw followed the advice of his counsel in taking questions under advisement. One undertaking was given, however, there were no further answers of record forthcoming. Consequently, there is little to be gleaned from Mr. Shaw's evidence other than that the opponent is involved in real estate development in Canada. I am prepared to conclude that there has been at least minimal use of the opponent's mark CHEUNG KONG and its trade-name Cheung Kong (Holdings) Limited some time prior to May 23, 1995 (the date of Mr. Shaw's affidavit). The applicant did not file any evidence in support of its application. Only the opponent

filed a written argument, however, both parties were represented at the oral hearing.

The only issue for decision is whether the applied for mark is confusing with the opponent's registered mark CHEUNG KONG. In this respect, the applicant has failed to support the other grounds of opposition pleaded in the statement of opposition. Part (i) of the second ground of opposition requires the opponent to demonstrate that the opponent has used or made known its trade-mark CHEUNG KONG in Canada prior to November 18, 1985 and that the opponent did not abandon its mark as of January 26, 1994: see paragraph 16(1)(a) and subsection 17(1) of the *Act*. Mr. Shaw's affidavit evidence and testimony on cross-examination do not fulfill either requirement. I have also noted that the opponent's trade-mark registration for its mark CHEUNG KONG indicates a date of first use of April 24, 1991. Thus, part (i) of the second ground of opposition is rejected. Similarly, part (iii) of the second ground of opposition is rejected because the opponent has not established use of its trade-name prior to November 18, 1985 or the subsequent non-abandonment of its trade-name: see paragraph 16(1)(c) and subsection 17(1) of the *Act*. Part (ii) of the second ground of opposition requires the opponent to demonstrate that its trade-mark application for CHINESE CHARACTERS (CHEUNG KONG) was filed prior to the date of first use claimed in the subject application no. 692,232, that is, prior to November 18, 1985: see paragraph 16(1)(b) of the *Act*. However, application no. 748,168 was filed on February 23, 1994. Thus, part (ii) of the second ground of opposition is also rejected.

The third ground of opposition alleges that the applicant cannot rely on the date of first use claimed in the subject application. Thus, the pleadings should refer to subsection 30(b) of the *Act* rather than subsection 16(1). I regard that error merely as a technical deficiency. The reason that the date of first use (that is, November 18, 1985) claimed in the subject application cannot be accepted, according to the opponent, is because an identical prior trade-mark registration (that is, same mark, same services, same date of first use) filed by the applicant's predecessor in title Longines was expunged for non-use pursuant to a Section 45 proceeding on September 3, 1993. In this regard, the opponent is relying on the Board's decision in *Imperial Tobacco Ltd. v. Philip Morris Products Inc.* (1990), 30 C.P.R.(3d) 410 wherein the opponent met its evidential burden with respect to a subsection 30(b) ground of opposition by relying on the expungement (under

Section 45) of a mark, standing in the name of the applicant, similar to the mark that the applicant was applying for. However, in that case, the opponent filed as evidence a certified copy of the Trade-Marks Office file for the expunged mark. In the instant case, the opponent has not evidenced its allegations. Rather, at the oral hearing, counsel for the opponent urged that I could have regard to the Register to confirm the details of the expungement as set out in the opponent's pleadings.

To date, the only exceptions this Board has made to the general principle that the opponent must prove all the aspects of its case are with respect to (i) trade-mark registrations relied on to support a ground of opposition pursuant to paragraph 12(1)(d) and (ii) trade-mark applications relied on to support a ground of opposition pursuant to Section 16: see *Quaker Oats Co. of Canada v. Menu Foods Ltd.* and see *Royal Appliance Mfg. Co. v. Iona Appliance Inc.*, above. With regard to these exceptions, the existence of the registration or application is the *sine qua non* of the ground of opposition. That is not the case with respect to an expunged mark pleaded in support of a ground of opposition pursuant to subsection 30(b). An expungement under Section 45 is merely the consequence of a finding that the registered owner of a mark has not provided sufficient evidence to maintain the registration. It is not a decision *in rem* as to whether a mark is in use. Thus, an applicant in an opposition proceeding is not estopped from submitting evidence of use of a mark which evidence was not provided in a Section 45 proceeding. The expungement (under Section 45) of a registration is one item of evidence concerning a ground of opposition pursuant to subsection 30(b) but it is not conclusive or determinative of the issue of whether the mark was in use. I am not convinced that there is sufficient reason to create a new exception to the general principle that an opponent must prove all the aspects of its case. Had the opponent done so in this proceeding it would have met its evidential burden and, in the absence of evidence from the applicant, would have succeeded on the subsection 30(b) ground of opposition: see *Imperial Tobacco Ltd. v. Philip Morris Products Inc.*, above. However, in the present circumstances, I must find that the third ground of opposition fails because the opponent has not met its evidential burden to put the validity of the date of first use claimed in the subject application into issue. I would, however, mention in passing that if the opponent's allegations of the prior expungement are true, then it might provide

sufficient reason for the Registrar to issue a second Section 45 notice should the instant application become registered.

The fourth ground of opposition merely reiterates the third ground of opposition and further alleges that the present applicant's predecessor in title Longines no longer exists. The latter allegation was not supported by evidence, but is in any event irrelevant (unless the opponent intended to show that the assignment of the applied for mark was executed after Longines ceased to exist). The fourth ground is rejected as it is merely a repetition of the third ground.

The fifth ground of opposition alleges that the applicant could not have been satisfied as to its entitlement to register the applied for mark. However, the opponent has not submitted any evidence in support of its allegations that the applicant could not have been satisfied that it was entitled to use the trade-mark CHINESE CHARACTERS & Design in Canada. Even had the applicant been aware of the opponent's trade-mark and trade-name prior to adopting its mark CHINESE CHARACTERS & Design, such a fact is not inconsistent with the statement in the application that the applicant was satisfied that it was entitled to use the trade-mark CHINESE CHARACTERS & Design on the basis *inter alia* that its mark is not confusing with the opponent's trade-mark or trade-name. Thus, the success of this ground is contingent on a finding that the trade-marks or trade-name at issue are confusing: see *Consumer Distributing Co. Ltd. v. Toy World Ltd.*, 30 C.P.R. (3d) 191 at 195 and *Sapodilla Co. Ltd. v. Bristol-Myers Co.*, 15 C.P.R. (2d.) 152 at 155.

The sixth ground of opposition requires the opponent to demonstrate sufficient use of its mark or trade-name to negate the distinctiveness of the applied for mark. In the instant case the opponent has at best established minimal use of its mark and trade-name, far below the threshold required to put the distinctiveness of the applied for mark in issue. Accordingly, the sixth ground of opposition is rejected.

The sole remaining issue for decision is whether the applied for mark is not registrable,

pursuant to Paragraph 12(1)(d) of the *Trade-marks Act*, because it is confusing with the opponent's mark CHEUNG KONG, registration no. 385,395, registered for the following services:

Real estate development and investment services namely property investment, property investment management, portfolio investment, portfolio investment management, investment advisory services, financial advisory services and funds management.

Of course, a pleading under Paragraph 12(1)(d) does not require the opponent to demonstrate actual use or making known of the registered mark. The material date to consider the issue of confusion arising pursuant to Paragraph 12(1)(d) is the date of my decision: see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.); *Conde Nast Publications Inc. v. The Canadian Federation of Independent Grocers* (1991), 37 C.P.R. (3d) 538 (TMOB). The legal onus is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of Section 6(2), between the applied for mark CHINESE CHARACTERS & Design and the opponent's registered mark CHEUNG KONG. The presence of an onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant: see *John Labatt Ltd. v. Molson Companies Ltd.* (1990) 30 C.P.R.(3d) 293 at 297-298 (F.C.T.D.). The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are set out in subsection 6(5) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive; all relevant factors are to be considered. All factors do not necessarily have equal weight. The weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.).

In the instant case, the opponent's mark CHEUNG KONG possesses a fair degree of inherent distinctiveness as the average Canadian would respond to the mark either as a fanciful or actual oriental expression. The applied for mark CHINESE CHARACTERS & Design is a

relatively weak mark in the sense that it would not create a clear, memorable impression on the average Canadian, and in the sense that the average Canadian could not easily discriminate between sequences of different Chinese characters: see *Cheung's Bakery Products Ltd. v. Saint Anna Bakery Ltd.* (1992), 46 C.P.R.(3d) 261 (TMOB). There is no evidence that either party's mark has acquired any reputation in Canada. Further, the length of time that the marks in issue have been in use in Canada is of little import in the absence of evidence of more than minimal use of the marks. Judging from the description of services in the subject application and in the opponent's registration, there would appear to be considerable overlap in the parties' services and in their channels of trade. Finally, the average Canadian, not being familiar with the Chinese language, would not find any resemblance between the marks in issue visually, or in sounding or in ideas suggested: see, for example, *Krazy Glue, Inc. v. Grupo Cyanomex, S.A.* (1989), 27 C.P.R.(3d) 28 (TMOB); upheld (1992), 45 C.P.R.(3d) 161 (F.C.T.D.) and see *Robert Bosch GmbH v. Grupo Bler de Mexico, S.A. de C.V.* (1997) 76 C.P.R.(3d) with respect to foreign language marks.

Considering the above, and considering in particular the dissimilarity between the marks in issue, I find that there is no reasonable likelihood of confusion between the applied for mark

CHINESE CHARACTERS & Design and the opponent's registered mark CHEUNG KONG.

Accordingly, the opponent's opposition is rejected.

DATED AT HULL, QUEBEC, THIS 12<sup>th</sup> DAY OF NOVEMBER, 1998.



Myer Herzig,  
Member,  
Trade-marks Opposition Board