



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

Citation: 2012 TMOB 30
Date of Decision: 2012-02-17

**IN THE MATTER OF AN OPPOSITION
by Hot Stuff Foods, LLC to application
No. 1,281,514 for the trade-mark
SCHNEIDERS HOT STUFFS & Design
in the name of Maple Leaf foods Inc.**

[1] On November 18, 2005, Maple Leaf foods Inc. (the Applicant) filed an application to register the trade-mark SCHNEIDERS HOT STUFFS & Design (the Mark), shown below, in association with “Frozen prepared line of entrees or pastries, consisting primarily of meat, eggs, poultry, vegetables, pasta, rice, cheese and sauces (meat or vegetable based or any combination thereof)” (the Wares) on the basis of use in Canada since May 1, 2001.



[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of December 19, 2007.

[3] On May 14, 2008, Hot Stuff Foods, LLC (the Opponent) filed a statement of opposition.

[4] The grounds of opposition can be summarized as follows:

- At all material dates, the Applicant was aware of the Opponent's trade-mark HOT STUFF and the Opponent's prior use thereof. As a result, the Applicant could not have been satisfied under s. 30(i) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act) of its entitlement to use the Mark in association with the Wares.
- Pursuant to s. 38(2)(a) and 30(b) of the Act, the application does not comply with the requirements of s. 30(b) as the Applicant has not used the Mark in Canada since the date of first use claimed in the application.
- Pursuant to s. 38(2)(b) and 12(1)(d) of the Act, the Mark is not registrable as it is confusing with the Opponent's registered trade-marks (the Opponent's Marks):
 - HOT STUFF – TMA479,169
 - HOT STUFF FOOD ON THE GO – TMA690,649
 - HOT STUFF FOOD ON THE GO & Design – TMA689,560
 - HOT STUFF FOOD XPRESS – TMA689,583
 - HOT STUFF FOOD XPRESS & Design – TMA 689,613
 - HOT STUFF FOODS & Design – TMA705,767
 - HOT STUFF FOODS – TMA705,766
 - HOT STUFF PIZZA & Design – TMA689,612
 - HOT STUFF FOOD ON THE GO – TMA703,103
- Pursuant to s. 38(2)(c) and 16(1)(a) of the Act, the Applicant is not the person entitled to registration of the Mark since at all material dates the Mark was confusing with the Opponent's trade-mark HOT STUFF which has been previously used and made known in Canada by the Opponent.
- Pursuant to s. 38(2)(d) and 2 of the Act, the Mark is not distinctive as it does not distinguish, is not adapted to distinguish and is not capable of distinguishing the Wares from the wares and services of others, more particularly from those of the Opponent with which it has used and made known the trade-mark HOT STUFF in Canada.

[5] The Applicant served and filed a counter statement in which it denied the Opponent's allegations and put the Opponent to the strict proof thereof.

[6] In support of its opposition, the Opponent filed the affidavit of Steven Watkins, sworn March 24, 2009, with Exhibits A – H as its evidence pursuant to r. 41 of the *Trade-marks Regulations* SOR/96-195 (the Regulations). An order for cross-examination issued but no cross-examination was conducted.

[7] In support of its application, the Applicant filed the affidavit of Ryan Carpenter, sworn December 11, 2009 with Exhibits A – M. An order for cross-examination issued but no cross-examination was conducted.

[8] Both parties filed written arguments and were represented at an oral hearing.

Onus and Material Dates

[9] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is 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 [see *John Labatt Limited v. The Molson Companies Limited* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298].

[10] The material dates that apply to the grounds of opposition are as follows:

- s. 38(2)(a)/30(b) and (i) - the date of filing the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 at 475 (T.M.O.B.) and *Tower Conference Management Co. v. Canadian Exhibition Management Inc.* (1990), 28 C.P.R. (3d) 428 at 432 (T.M.O.B.)].
- s. 38(2)(b)/12(1)(d) - the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)].
- s. 38(2)(c)/16(1)(a) - the claimed date of first use [see s. 16(1) of the Act].
- s. 38(2)(d)/2 - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)].

Section 30 Grounds

Section 30(b)

[11] The application for the Mark claims a first use date of May 1, 2001. Section 30(b) of the Act requires that there be continuous use of the applied for trade-mark in the normal course of trade from the date claimed to the date of filing of the application [see *Labatt Brewing Co. v. Benson & Hedges (Canada) Ltd.* (1996), 67 C.P.R. (3d) 258 (F.C.T.D.) at 262].

[12] The initial burden on the Opponent is light respecting the issue of non-conformance with s. 30(b) of the Act, because the facts regarding the Applicant's first use are particularly within the knowledge of the Applicant [see *Tune Masters v. Mr. P.'s Mastertune Ignition Services Ltd.* (1986), 10 C.P.R. (3d) 84 (T.M.O.B.) at 89]. This burden may be met by reference not only to the Opponent's evidence but also to the Applicant's evidence [see *Labatt Brewing Co. v. Molson Breweries, a Partnership* (1996), 68 C.P.R. (3d) 216 at (F.C.T.D.) at 230]. While the Opponent may rely upon an Applicant's evidence to meet its evidential burden in relation to this ground, the Opponent must show that the Applicant's evidence is "clearly" inconsistent with the Applicant's claims as set forth in its application [see *Ivy Lea Shirt Co. v. 1227624 Ontario Ltd.* (1999), 2 C.P.R. (4th) 562 at 565-6 (T.M.O.B.), *aff'd* 11 C.P.R. (4th) 489 (F.C.T.D.)].

[13] In the present case, the Opponent has not adduced any evidence in support of its s. 30(b) ground of opposition. The Opponent submits that it has met its evidential burden because none of the commercial documentation in the Carpenter affidavit predates 2008. While it is true that none of the documentary evidence attached to the Carpenter affidavit dates back to 2001, I have no reason to doubt Mr. Carpenter's sworn statements that the Mark has been used since May 1, 2001. Specifically, I note that Mr. Carpenter was not cross-examined on his affidavit and no evidence contradicting his statement has been adduced. Based on the foregoing, I am not satisfied that the Opponent has established that the Applicant's evidence is clearly inconsistent with the claimed date of first use. As a result, I am dismissing this ground of opposition on the basis that the Opponent has failed to meet its evidential burden.

Section 30(i)

[14] Where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]. The Applicant has provided the necessary statement and this is not an exceptional case; the s. 30(i) ground is accordingly dismissed.

Non-registrability Ground – s. 12(1)(d) of the Act

[15] An opponent's initial onus is met with respect to a s. 12(1)(d) ground of opposition if the registrations relied upon are in good standing as of the date of the opposition decision. The Registrar has discretion to check the register in order to confirm the existence of the registration(s) relied upon by an opponent [see *Quaker Oats of Canada Ltd./La Compagnie Quaker Oats du Canada Ltée v. Menu Foods Ltd.* (1986), 11 C.P.R. (3d) 410 (T.M.O.B.)]. I have exercised that discretion and confirm that the registrations for the Opponent's Marks remain valid and therefore the Opponent has satisfied its evidential burden. I must now assess whether the Applicant has met its legal burden.

[16] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[17] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See, in general, *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.) and *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 92 C.P.R. (4th) 361 (S.C.C.)]

[18] All of the Opponent's Marks feature the words HOT STUFF which make up the only element of the Opponent's Marks which shares any resemblance with the Mark. As a result, I consider registration No. TMA479,169 for the trade-mark HOT STUFF registered for the following wares and services to present the Opponent's strongest case:

Wares: food products, namely pizza; deli sandwiches; egg rolls; breakfast croissants; bakery goods namely, pastries and cookies; poultry; poultry exclusive of sausage; pizza for consumption on or off the premises

Services: preparation of take-out food services; restaurant services; pizza carry-out services; providing pizza for consumption on or off the premises; pizza carry-out services

(the Opponent's Wares and Services)

[19] I will therefore address the s. 12(1)(d) ground by focusing on the likelihood of confusion between the trade-mark HOT STUFF of registration No. TMA479,169 and the Mark. Thus, the success or failure of this ground will turn on the issue of confusion with this registration.

Section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which they have become known

[20] As already mentioned, the Mark incorporates the whole of the Opponent's HOT STUFF trade-mark. The Opponent submits that the words HOT STUFF are fanciful to the extent that they refer to both the temperature at which a food product could be served as well as being "mildly suggestive of a trendy food product which is fast and easy to prepare". The Applicant submits that the words HOT STUFF are not inherently distinctive as they are "commonly and descriptively used in the food industry and therefore do not deserve a wide ambit of protection". The Opponent objected to the Applicant's submissions regarding the alleged common use of the words HOT STUFF on the basis that the Applicant has not filed any evidence showing third party use of the words HOT STUFF in the Canadian marketplace.

[21] I agree with both parties that the words HOT STUFF do not possess much inherent distinctiveness on account of them being dictionary words which are suggestive of the parties' food products. However, I am unable to accept the Applicant's submission that the words are commonly and descriptively used in the food industry as no evidence of the state of the marketplace with respect to the words HOT STUFF has been provided.

[22] The Mark also features design elements in the form of fanciful script, a stylized box enclosing the words HOT STUFFS as well as the word SCHNEIDERS along with the design of a woman's head wearing a bonnet. The Applicant submits that the word SCHNEIDERS, on its own, is distinctive of the Applicant and its predecessor in title, and is a famous brand. As evidence of this, the Applicant points to Exhibit M of the Carpenter affidavit where grocery store chains refer to the Wares as "Schneider's Hot Stuffs", rather than "Hot Stuffs" in their

advertising flyers. The Applicant also relies on the substantial sales figures and the Applicant's national advertising campaign (Exhibit D), both for the Wares, in support of its submission that SCHNEIDERS is a famous mark. I am not satisfied that the evidence of record supports a finding that the trade-mark SCHNEIDERS is distinctive of the Applicant, or has developed any degree of reputation or fame on its own, separate and apart from the Mark.

[23] In light of the additional design elements in the Mark, I find that the Mark possesses a somewhat higher degree of inherent distinctiveness than the Opponent's HOT STUFF mark.

[24] The strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use. I will now turn to the extent to which the trade-marks have become known in Canada.

[25] The Applicant claims use in association with the Mark since May 1, 2001. In his affidavit Mr. Carpenter makes the sworn statement that the Mark has been used in association with the Wares since at least as early as May 1, 2001. Mr. Carpenter states that the Mark is applied directly to the Wares. Mr. Carpenter provides sales figures for the years 2007 – 2009 ranging from \$13 million to \$19 million. Mr. Carpenter provides invoices to various grocery store chains (Sobeys, Inc.; Metro Canada Inc.; Loblaws Inc.; Co-op Atlantic; Canada Safeway Limited) from the years 2008 and 2009 (Exhibits H – L). Mr. Carpenter states that the Applicant has expended considerable effort and money in the promotion and advertisement of the Wares in association with the Mark. Mr. Carpenter attaches to his affidavit sample advertisements as well as sample packaging for the Wares (Exhibits B-G; M-N). I note that these materials are undated with the exception of one of the advertising brochures circulated to supermarket chains which states that the products will "start shipping: September 2003". For the undated documents, I am willing to infer that they are current to the date Mr. Carpenter swore his affidavit (2009). I note that all of the sample packaging and advertisements attached to Mr. Carpenter's affidavit display the Mark.

[26] Based on the foregoing, I am satisfied that the Applicant has established some reputation for the Mark in Canada in association with the Wares.

[27] The HOT STUFF mark subject to registration No. TMA479,169 was registered based on use and registration in the United States of America. A declaration of use was filed on June 13, 1997.

[28] In his affidavit, Mr. Watkins states that the HOT STUFF mark has been used in Canada since 1997 by the Opponent and its predecessors in association with numerous “easy to prepare and quick serve food products” as well as an associated franchise system and licensing concept.

[29] Mr. Watkins attaches to his affidavit copies of representative packaging and labeling examples for the Opponent’s food products (Exhibit A). Mr. Watkins states that the sample packaging and labels are representative of the way in which the HOT STUFF mark has appeared in association with the Opponent’s food products since 1997.

[30] Mr. Watkins also provides a list of franchised outlets in Canada operated in association with the HOT STUFF mark. The list provides 22 franchise locations in Canada which have been operating variously since 1997, 2001-2007. Mr. Watkins states that each of the listed franchise locations have operated in association with the HOT STUFF mark since their respective commencement dates without interruption. Mr. Watkins also attaches to his affidavit photographs of signage displaying the HOT STUFF mark at various franchise locations in Canada (Exhibit B). The Applicant submits that some of the Opponent’s franchisees are no longer operating and that this somehow negates any evidence of previous use by these entities. I do not agree. I am satisfied that the Opponent’s evidence supports a finding that the Opponent has operated franchised outlets in Canada since 1997.

[31] Mr. Watkins also provides details regarding the degree of care and control exercised by the Opponent over the franchisees (licensees) operating under the HOT STUFF mark, including a copy of the quality control provisions of the franchise agreements used by the Opponent in Canada (Exhibit D). I am satisfied that the Opponent has established the necessary degree of care and control such that any use by the franchisees (licensees) would accrue to the Opponent, pursuant to s. 50 of the Act.

[32] I note that most of the sample packaging and signage from franchise locations displays the HOT STUFF PIZZA & Design mark, subject to registration No. TMA689,612, and/or the

HOT STUFF FOODS & Design mark, subject to registration No. TMA705,767, both shown below:



[33] I find that the HOT STUFF PIZZA & Design mark and HOT STUFF FOODS & Design mark qualify as use of the trade-mark HOT STUFF, since the words HOT STUFF are set apart from the other parts of the logo through the use of a significantly different size font [see *Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R. (3d) 535 (T.M.O.B.) at 538-9].

[34] At the oral hearing, the Applicant submitted that a number of the franchise locations displayed signage where the HOT STUFF mark included a design element featuring the words HOT STUFF PIZZA, shown below, placed in between the words HOT and STUFF and that this, as a whole, could not constitute use of the HOT STUFF mark.



[35] Firstly, I note that TMA479,169 is a word mark and as a result the Opponent is under no restrictions as to the way in which it may use the HOT STUFF mark. Secondly, as with the other design marks discussed in paragraphs 32 and 33 above, I am satisfied that the design element on its own would qualify as use of the trade-mark HOT STUFF. Lastly, I am not satisfied that the placement of this design element in between the words HOT and STUFF is sufficient to find that this does not constitute use of the HOT STUFF mark. Even if I am wrong in so finding, I note that there is sufficient evidence showing the HOT STUFF PIZZA & Design and HOT STUFF FOODS & Design marks as well as the HOT STUFF mark on its own to satisfy me of the Opponent's use in association with its wares and services.

[36] The Applicant also submitted that some of the advertising documents in Mr. Watkins' affidavit (Exhibit E) featured the design mark shown in paragraph 34 above and noted that while it is not one of the Opponent's registered marks, it features the ® symbol. Since the mark as displayed was not registered at the time these materials were created, the Applicant submits that this calls into question the reliability of Mr. Watkins' evidence. I do not agree. The Applicant had the opportunity to cross-examine Mr. Watkins on his affidavit if there were concerns as to the reliability of his evidence. In the absence of cross-examination or contradictory evidence I have no reason to doubt the reliability of Mr. Watkins' evidence.

[37] Mr. Watkins provides representative copies of invoices from 1997-1999; 2001-2009 (Exhibit C). I note that the invoices dated prior to 2008 refer to Orion Food Systems Canada, Inc. As submitted by the Opponent at the oral hearing, the certified copy of the registration for the HOT STUFF mark (TMA479,169) clearly shows Orion Food Systems Canada, Inc. as a predecessor in title to the Opponent. The invoices themselves do not display the HOT STUFF mark. However, Mr. Watkins states that the presence of "HS" on the invoices signifies products sold under the HOT STUFF trade-mark. At the oral hearing the Applicant made significant submissions questioning the Opponent's assertion that HS means HOT STUFF and whether these invoices evidenced sales of food products. I have no reason to doubt Mr. Watkins' sworn statement regarding the meaning of HS on these invoices. With respect to the Applicant's submission regarding whether these invoices evidence the sale of food products, I do not find the Applicant's submissions on this point persuasive. The evidence is clear that the HOT STUFF mark is used on packaging for the Opponent's wares in accordance with s. 4(1) of the Act such that the presence or absence of the HOT STUFF mark on the invoices is not determinative in any event.

[38] Mr. Watkins provides sales figures for the Opponent's food products and franchise operations. Specifically, Mr. Watkins states that the total volume of business in Canada since 1997 amounts to "tens of millions of dollars". Mr. Watkins also provides a breakdown for the sales figures for 1997 (\$500,000); 1998 (in excess of \$1 million) and 1999 (in excess of \$2 million). Mr. Watkins also states that these figures have increased by approximately \$1-3 million per year.

[39] Mr. Watkins also provides advertising and promotional expense figures. Specifically, Mr. Watkins states that the Opponent and its predecessors have spent on average approximately \$100,000 on advertising and promoting the Opponent's Wares and Services in Canada.

[40] Mr. Watkins attaches to his affidavit sample promotional and advertising materials displaying the HOT STUFF trade-mark which he states are typical of those used by the Opponent from 1997-2008 (Exhibit E). Mr. Watkins attaches a photograph of the Opponent's booth at a trade show in Toronto Ontario (Exhibit F). Mr. Watkins states that the photograph is representative of the manner in which the Opponent has promoted its wares and services since 1997. Mr. Watkins provides copies of materials printed from the Opponent's website at *www.hotstufffoods.com* as well as the results of a Google search for "hot stuff foods llc". As discussed with respect to the sample packaging and signage, these documents primarily display the HOT STUFF PIZZA & Design and HOT STUFF FOODS & Design marks, which I have already found constitute use of the trade-mark HOT STUFF.

[41] I am satisfied that the Opponent has established some reputation for the HOT STUFF mark in Canada in association with the Opponent's Wares and Services.

Section 6(5)(b) – the length of time each has been in use

[42] As set out in more detail above in the analysis of the s. 6(5)(a) factor, Mr. Carpenter makes sworn statements that the Mark has been used in association with the Wares since May 1, 2001. However, he has only provided sales figures and supporting documentary evidence back to 2007. Regardless of whether the Applicant has succeeded in establishing use of the Mark since 2001 or 2007 it postdates the Opponent who has established use of the HOT STUFF mark by itself or its predecessor since 1997 in association with the Opponent's Wares and Services.

Sections 6(5)(c) and (d) – the nature of the wares, services, trade and business

[43] It is the Applicant's statement of wares as defined in its application versus the Opponent's registered wares and services that govern my determination of this factor [see *Esprit International v. Alcohol Countermeasure Systems Corp.* (1997), 84 C.P.R. (3d) 89 (T.M.O.B.)].

[44] The Applicant submits that there are differences between the parties' wares. The Applicant submits that the Applicant's food products are frozen and require the customer to bring the product home and heat it up themselves whereas the Opponent's food products are ready to eat food products sold in "on the go" restaurants.

[45] By contrast, the Opponent submits that the parties' wares belong to the same general class, namely food products. The Opponent also pointed out that the Opponent claims frozen food products in association with one of its registered HOT STUFF marks, namely, registration No TMA689,612 which claims "frozen food products, namely frozen pizza, pizza, frozen bread".

[46] Based on the evidence of record, I am of the view that both parties' marks claim food products, specifically ready-to-eat or easy-to-prepare food products. Furthermore, I note that there is some exact overlap between the parties' wares with respect to pastries and poultry. I am satisfied that the remainder of the parties' wares are similar in nature. Based on the foregoing, I find that there is a significant degree of similarity between the parties' wares.

[47] The evidence establishes that the Applicant sells the Wares in large supermarket chains and the Opponent sells its wares and operates its franchise locations in various food retail and convenience stores, quick serve restaurants and food kiosks, food courts, gas stations and vending machines.

[48] The Opponent submits that it is not necessarily important whether the parties are currently selling their wares in the same channels of trade but whether they could do so particularly in cases like the present where there are no restrictions on the associated channels of trade.

[49] There is no direct overlap between the channels of trade through which the parties' wares are currently being sold. However, there is no restriction in the specification for the Wares limiting the Applicant to selling the Wares only in supermarkets. In the absence of any restrictions, and given the overlap in the nature of the parties' wares, it is conceivable that the parties' wares could travel through the same channels of trade.

Section 6(5)(e) – the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[50] In most instances, the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested is the dominant factor and other factors play a subservient role in the overall surrounding circumstances [see *Beverly Bedding & Upholstery Co. v. Regal Bedding & Upholstery Ltd.* (1980), 47 C.P.R. (2) 145, conf. 60 C.P.R. (2d) 70 (F.C.T.D.)]. This principle was recently upheld by the Supreme Court of Canada in *Masterpiece, supra*.

[51] The Applicant submits that the first portion of a mark is the most important for the purpose of distinguishing [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.) at 188]. By contrast, the Supreme Court in *Masterpiece* recently advised that the preferable approach when comparing marks is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique [see *Masterpiece, supra* at para 64].

[52] The Applicant submits that the SCHNEIDERS element with the design of the young woman's head wearing a bonnet is the most dominant element. I do not agree. Rather, I agree with the Opponent that visually, the HOT STUFFS element is the largest, most dominant and most striking element of the Mark.

[53] As submitted by the Opponent, I agree that the addition of the "s" is not sufficient to create any significant difference between HOT STUFF and HOT STUFFS [see *Beauty's Restaurant Inc. v. 3000 A.D. Holdings Inc.* (1994), 55 C.P.R. (3d) 275 (T.M.O.B.)].

[54] Based on the foregoing, I find that the parties' marks share a great degree of similarity in sound, appearance and idea suggested by virtue of the fact that the Mark incorporates the whole of the HOT STUFF trade-mark.

Additional Surrounding Circumstance – No evidence of actual confusion

[55] The Applicant submits that it is relevant to note that the parties' marks have been coexisting in Canada since the Applicant commenced using the Mark in 2001 without any evidence of incidents of actual confusion. The Applicant submits that this forms a relevant surrounding circumstance in support of the Applicant's position.

[56] By contrast, the Opponent submits that the lack of evidence of actual confusion does not raise a presumption favourable to the Applicant nor is it determinative of the issue of confusion. To this end the Opponent relies on *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.T.D.) where the Federal Court found that the defendant's marks MR. SUBS'N PIZZA and MR. 29 MIN. SUBS'N PIZZA were confusing with the mark MR. SUBMARINE although there was no evidence of actual confusion despite ten years of concurrent use in the same area. The Opponent submitted that the purpose of the Act includes the protection of the public and the preservation of the registrant's rights when assessing confusion.

[57] While the Opponent is not under an obligation to file evidence of actual confusion, the failure to file any such evidence in the face of an extensive period of coexistence may result in a negative inference being drawn [see *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.)]. In the present case, however, I note that the fact that, to date, the parties have offered their wares in different types of stores is a mitigating factor which could explain the lack of instances of actual confusion.

[58] As a result, I am not satisfied that the lack of evidence of actual confusion in the marketplace in Canada constitutes a factor which supports the Applicant's position.

Opponent's Family of HOT STUFF Marks

[59] The Opponent owns seven trade-marks incorporating the HOT STUFF element, as follows:

- HOT STUFF – TMA479,169
- HOT STUFF FOOD ON THE GO – TMA690,649
- HOTSTUFF FOOD ON THE GO & Design – TMA689,560
- HOT STUFF FOOD XPRESS – TMA689,583
- HOT STUFF FOOD XPRESS & Design – TMA 689,613
- HOT STUFF FOODS & Design – TMA705,767
- HOT STUFF FOODS – TMA705,766
- HOT STUFF PIZZA & Design – TMA689,612
- HOT STUFF FOOD ON THE GO – TMA703,103

[60] A party seeking to establish a family of marks must establish that it is using more than one or two trade-marks within the alleged family (a certified copy of a registration does not

establish use) [see *Techniquip Ltd. v. Canadian Olympic Assn* (1998), 80 C.P.R. (3d) 225 (F.C.T.D.), aff'd (1998) 3 C.P.R. (4th) 298 (F.C.A.); *Now Communications Inc. v. CHUM Ltd* (2003), 32 C.P.R. (4th) 168 (T.M.O.B.)].

[61] In the present case, the Opponent has evidence use of all of the claimed HOT STUFF marks with the exception of HOT STUFF FOOD XPRESS (TMA689,583) and HOT STUFF FOOD XPRESS & Design (TMA689,613).

[62] I am satisfied that the Opponent has evidenced use of a family of HOT STUFF trade-marks and that this forms a relevant surrounding circumstance that favours the Opponent.

Prosecution History for the Application for the Mark

[63] The Opponent places significant emphasis on the fact that before advertisement the Examiner cited application No. 1,182,300 for the trade-mark HOT STUFF, belonging to the Opponent and applied for in association with “frozen food products, namely, frozen bread, frozen pastas, frozen pizza, pizza and frozen bread” as creating a likelihood of confusion with the Mark. The Examiner maintained the citation despite submissions made by the Applicant in response. Ultimately, the citation was removed when application No. 1,182,300 was abandoned.

[64] The Opponent maintains that given the similarity between the cited application No. 1,182,300 and the HOT STUFF mark of registration No. TMA479,169 (exact same trade-mark, similar wares), the same finding should be made with respect to the likelihood of confusion in the present opposition.

[65] A decision by an Examiner does not have precedential value in an opposition proceeding because both the onus and evidence before an Examiner differs from that in an opposition proceeding [see *Thomas J. Lipton Inc. v. Boyd Coffee Co.* (1991), 40 C.P.R. (3d) 272 (T.M.O.B.) at 277 and *Procter & Gamble Inc. v. Morlee Corp.* (1993), 48 C.P.R. (3d) 377 (T.M.O.B.) at 386].

[66] Based on the foregoing, this does not constitute a relevant surrounding circumstance supporting the Opponent’s case.

Conclusion

[67] Having regard to the above, I find that the balance of probabilities is evenly balanced between a finding of confusion between the marks in issue and a finding of no confusion. As the onus is on the Applicant to establish on a balance of probabilities that the Mark is not confusing with the HOT STUFF mark of registration No. TMA479,169, I must decide against the Applicant.

[68] Having regard to the foregoing, I allow the ground of opposition based on s. 12(1)(d) of the Act.

Non-entitlement Ground – s. 16(1)(a) of the Act

[69] Despite the onus of proof on the Applicant to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's Marks, the Opponent has the initial onus of proving that one or more of the trade-marks alleged in support of its ground of opposition based on s. 16(1) of the Act was used in Canada prior to the claimed date of first use (May 1, 2001) and had not been abandoned at the date of advertisement of the application for the Mark (December 19, 2007) [s. 16(5) of the Act].

[70] As discussed more fully in the analysis of the registrability ground of opposition, I am satisfied that the Opponent's evidence supports a finding that one or more of the Opponent's Marks had been used in Canada as of the material date and had not been abandoned as of the date of advertisement. Thus the Opponent has met its evidential burden.

[71] The difference in material dates is not significant and as a result my findings under the ground of opposition based on s. 12(1)(d) of the Act are equally applicable here. As a result, I find that the balance of probabilities is evenly balanced between a finding of confusion between the marks in issue and a finding of no confusion. As the onus is on the Applicant to establish on a balance of probabilities that the Mark is not confusing with the HOT STUFF mark of registration No. TMA479,169, I must decide against the Applicant. Having regard to the foregoing, I allow the ground of opposition based on s. 16(1)(a) of the Act.

Non-distinctiveness Ground – s. 38(2)(d) of the Act

[72] In order to meet its initial burden with respect to this ground, the Opponent must establish that one or more of the Opponent's Marks was known at least to some extent in Canada as of May 14, 2008 [see *Bojangles' International LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.) and *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 (F.C.T.D.)].

[73] As discussed more fully in the analysis of the registrability and non-entitlement grounds of opposition, I am satisfied that the Opponent's evidence supports a finding that one or more of the Opponent's Marks had developed a reputation in Canada as of the material date and thus the Opponent has met its evidential burden.

[74] I must now assess whether the Applicant has met its legal burden. Specifically, the onus is on the Applicant to establish on a balance of probabilities that there is no likelihood of confusion between the parties' marks.

[75] The difference in material dates is not significant and as a result my findings under the ground of opposition based on s. 12(1)(d) of the Act are equally applicable here. Even considering the actual channels of trade being employed by the parties rather than all those generally applicable to the types of wares and services listed in the parties' application and registration, as was done under the s. 12(1)(d) ground of opposition, I find that the balance of probabilities is evenly balanced between a finding of confusion between the marks in issue and a finding of no confusion. As the onus is on the Applicant to establish on a balance of probabilities that the Mark is not confusing with the HOT STUFF mark of registration No. TMA479,169, I must decide against the Applicant. Having regard to the foregoing, I allow the ground of opposition based on non-distinctiveness.

Disposition

[76] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application pursuant to s. 38(8) of the Act.

Andrea Flewelling
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office