

**IN THE MATTER OF AN OPPOSITION by Sunshine Coast
Beverages Ltd. to application No. 749,548 for the trade-mark
HEAVEN LEGEND & Design filed by Nippon Drug Trading Inc.**

On March 14, 1994, the applicant, Nippon Drug Trading Inc., filed an application to register the trade-mark HEAVEN LEGEND & Design, a representation of which appears below, based upon proposed use of the trade-mark in Canada in association with “ginseng extract”. The English translation of the Chinese characters as provided by the applicant is HEAVEN, or SKY, TREASURE.



The present application was advertised for opposition purposes in the *Trade-marks Journal* of October 12, 1994 and the opponent, Sunshine Coast Beverages Ltd., filed a statement of opposition on December 2, 1994, a copy of which was forwarded to the applicant on January 13, 1995. The opponent requested leave on May 3, 1996 to amend its statement of opposition pursuant to Rule 40 of the *Trade-marks Regulations*. By way of the Office letter of May 28, 1996, the applicant was invited to make its submissions concerning the opponent’s request. As no submissions were received from the applicant, and as no formal ruling was rendered by the Opposition Board in relation to the opponent’s Rule 40 request, this will confirm that the opponent has been granted leave to amend its statement of opposition.

The applicant served and filed a counter statement in which it effectively denied the opponent’s grounds of opposition. The opponent submitted as its Rule 41(1) evidence the affidavit of Patrick Chung while the applicant filed as its evidence the affidavits of Kendra Preston-Brooks and Lawrence Cheng pursuant to Rule 42(1) of the *Trade-marks Regulations*. Further, the opponent submitted a second affidavit of Patrick Chung as evidence in reply. Both parties filed written arguments and neither party requested an oral hearing.

The opponent alleged the following grounds of opposition in its amended statement of opposition:

- (a) The applied-for trade-mark is not registrable in view of Subsection 30(e) of the *Trade-marks Act* because, as of the applicant's filing date, the applicant never intended, itself, or through a licensee, or by itself and through a licensee, to use the trade-mark in Canada in association with all the wares covered in the present application;
- (b) The applied-for trade-mark is not registrable in view of Subsection 30(i) of the *Trade-marks Act* because, as of the applicant's filing date, the applicant could not properly have been satisfied that it was entitled to use its trade-mark in Canada in association with the wares covered in the present application;
- (c) The applied-for trade-mark is not registrable in view of Paragraph 12(1)(d) of the *Trade-marks Act* because the trade-mark HEAVEN LEGEND & Design is confusing with its registered trade-mark LEGENDE THE ORIGINAL GINSENG COLA, registration No. 440,703, covering soft drinks;
- (d) The applicant is not the person entitled to registration of the trade-mark HEAVEN LEGEND & Design in that, as of the filing date of the present application, the applicant's trade-mark was confusing with the opponent's trade-marks LÉGENDE, LEGENDE THE ORIGINAL GINSENG COLA and LÉGENDE THE ORIGINAL GINSENG COLA which the opponent has previously used and made known in Canada in association with soft drinks and which had not been abandoned as of the date of advertisement of the present application;
- (e) The applicant is not the person entitled to registration of the trade-mark HEAVEN LEGEND & Design in that, as of the filing date of the present application, the applicant's trade-mark was confusing with the opponent's trade-mark LEGENDE THE ORIGINAL GINSENG COLA which was the subject of previously filed application serial No. 653,259 and which was pending as of the date of advertisement of the present application;
- (f) The trade-mark HEAVEN LEGEND & Design is not distinctive in that it is not capable of distinguishing the applicant's wares from the wares and services of others, particularly the soft drinks sold by the opponent under the trade-marks LÉGENDE, LEGENDE THE ORIGINAL GINSENG COLA and LÉGENDE THE ORIGINAL GINSENG COLA, nor is it adapted to so distinguish them.

While the legal burden is upon the applicant to show that its application complies with Subsections 30(e) and 30(i) of the *Trade-marks Act*, there is an initial evidentiary burden on the opponent in respect of its Section 30 grounds [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330]. To meet the evidentiary burden upon it in relation to a particular issue, the opponent must adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support that issue exist. In the present case, the opponent has not adduced any evidence in support of its first ground and has therefore failed to meet the evidentiary burden upon it. I have therefore dismissed the ground of opposition based on

Subsection 30(e) of the *Act*.

With respect to the Subsection 30(i) ground, the opponent alleging that the applicant could not properly have been satisfied that it was entitled to use its trade-mark in Canada in association with the wares covered in the present application. As no specific allegations of fact have been made in support of the Subsection 30(i) ground, I have rejected this ground of opposition as being contrary to Paragraph 38(3)(a) of the *Trade-marks Act*. Furthermore, assuming that the opponent intended to rely upon the allegations of fact in its other grounds to support its second ground of opposition, no evidence has been furnished by the opponent to show that the applicant could not properly have been satisfied that it was entitled to use its trade-mark HEAVEN LEGEND & Design in Canada on the basis *inter alia* that its trade-mark is not confusing with the opponent's trade-marks. Thus, the success of this ground would have been contingent upon a finding that the trade-marks at issue are confusing [see *Consumer Distributing Co. Ltd. v. Toy World Ltd.*, 30 C.P.R. (3d) 191, at p. 195; and *Sapodilla Co. Ltd. v. Bristol-Myers Co.*, 15 C.P.R. (2d) 152, at p. 155].

The remaining grounds of opposition turn on the issue of confusion between the applicant's trade-mark HEAVEN LEGEND & Design and one, or more, of the opponent's trade-marks LÉGENDE, LEGENDE THE ORIGINAL GINSENG COLA and LÉGENDE THE ORIGINAL GINSENG COLA. The most relevant of the marks relied upon by the opponent is its trade-mark LÉGENDE. In this regard, the opponent alleged that the applicant is not the person entitled to registration of the trade-mark HEAVEN LEGEND & Design in that, as of the filing date of the present application, the applicant's trade-mark was confusing with *inter alia* its trade-mark LÉGENDE which the opponent has previously used and made known in Canada in association with soft drinks. As well, the opponent relied upon the LÉGENDE trade-mark in challenging the distinctiveness of the trade-mark HEAVEN LEGEND & Design.

With respect to the non-entitlement ground, the first affidavit of Patrick Chung, a director of the opponent, establishes that the opponent has used the trade-mark LÉGENDE in Canada in association with soft drinks containing ginseng prior to the applicant's filing date of March 14, 1994, as well as showing that the opponent had not abandoned the trade-mark LÉGENDE as of the date

of advertisement of the present application in the *Trade-marks Journal* [October 12, 1994]. As a result, the opponent has met the initial burden upon it under Subsections 16(5) and 17(1) of the *Trade-marks Act*. Accordingly, the legal burden is upon the applicant to show that there would be no reasonable likelihood of confusion between its trade-mark HEAVEN LEGEND & Design and the opponent's trade-mark LÉGENDE as of the applicant's filing date, the material date in relation to a Paragraph 16(3)(a) ground of opposition.

In assessing whether there would be a reasonable likelihood of confusion between the trade-marks at issue within the scope of Subsection 6(2) of the *Trade-marks Act*, the Registrar must have regard to all the surrounding circumstances including, but not limited to, those which are specifically enumerated in Subsection 6(5) of the *Act*. As well, the Registrar must bear in mind that the legal burden is upon the applicant to establish that there would be no reasonable likelihood of confusion between the trade-marks at issue as of the relevant material dates.

The applicant's trade-mark HEAVEN LEGEND & Design as applied to ginseng extract is inherently distinctive when considered in its entirety. Further, the applicant's mark is based upon proposed use in Canada and, having regard to the Cheng affidavit, it does not appear that the applicant has yet commenced use of the trade-mark HEAVEN LEGEND & Design in Canada. The opponent's trade-mark LÉGENDE as applied to soft drinks containing ginseng is also inherently distinctive although the first affidavit of Patrick Chung establishes that the trade-mark LÉGENDE has become known in British Columbia in association with soft drinks containing ginseng. Thus, the extent to which the trade-marks at issue have become known and the length of time the trade-marks HEAVEN LEGEND & Design and LÉGENDE have been in use both weigh in the opponent's favour.

The wares covered in the present application are ginseng extract while the wares associated with the trade-mark LÉGENDE are soft drinks containing ginseng. As a result, the wares of the parties are related. The applicant has argued that its wares originate from Asian ginseng which is obtained from China, Japan and Korea whereas the opponent's soft drinks contain Panax quinquefolium which is sometimes referred to as "American ginseng". However, the applicant's

statement of wares does not include any limitation as to the specific type of ginseng associated with its trade-mark HEAVEN LEGEND & Design. Furthermore, there is no evidence to show that the average consumer of the wares of the parties would distinguish between Asian ginseng and American ginseng. As for the channels of trade of the parties, the evidence of record establishes that ginseng extract and soft drinks containing ginseng could be sold in health food stores and Chinese herbal stores. Accordingly, there is a potential overlap in the respective channels of trade of the parties.

The applicant's trade-mark HEAVEN LEGEND & Design and the opponent's trade-mark LÉGENDE bear a fair degree of similarity both in appearance and in sounding although the marks do not appear to convey similar ideas.

As a further surrounding circumstance in respect of the issue of confusion, the applicant submitted evidence of the state of the register by way of the Kendra-Brooks affidavit. Ms. Kendra-Brooks adduced copies of seven registrations and two pending applications for trade-marks including the word LEGEND and a third application for the trade-mark LÉGENDE. Five of the ten trade-marks stand in the name of Legend Foods Ltd. and cover *inter alia* cheese, milk, cream, yogurt and frozen confections and novelties while two of the marks cover whisky and a third covers brewed alcoholic beverages. The wares associated with the remaining trade-marks are cookies and roasted and instant coffee. Given the limited number of trade-marks identified in the Kendra-Brooks affidavit and bearing in mind that the wares identified in the registrations and pending applications differ from those associated with the trade-marks at issue, I find that the state of the register evidence is of little relevance in this opposition.

Having regard to the degree of similarity in appearance and in sounding between the trade-marks HEAVEN LEGEND & Design and LÉGENDE as applied to related wares which could travel through the same trade channels, I have concluded that the applicant has failed to meet the legal burden upon it of satisfying the Registrar that there would be no reasonable likelihood of confusion between the applicant's trade-mark HEAVEN LEGEND & Design and the opponent's mark LÉGENDE. Consequently, the applicant is not the person entitled to registration of the trade-mark

HEAVEN LEGEND & Design.

Having been delegated authority by the Registrar of Trade-marks pursuant to Subsection 63(3) of the *Trade-marks Act*, I refuse the applicant's application pursuant to Subsection 38(8) of the *Trade-marks Act*.

DATED AT HULL, QUEBEC, THIS DAY 27th OF FEBRUARY, 1998

G.W.Partington,
Chairperson,
Trade-marks Opposition Board.