

IN THE MATTER OF AN OPPOSITION by SARAMAR CORPORATION to application No. 811,038 for the trade-mark KADO filed by V.D.K. INTERNATIONAL SARL

On April 29, 1996, the applicant, V.D.K. INTERNATIONAL SARL, filed an application to register the trade-mark KADO based on use and registration of the trade-mark in France in association with “Confiserie; préparations faites de céréales, chocolat, agrumes. Fruits séchés et cuits” [Translation: “Confectionary; preparations made from cereals, chocolate, citrus. Dried and cooked fruits”], as well as being based on proposed use of the trade-mark in Canada in association with “Produits de confiserie nommément des barres de chocolat et barres caloriques contenant des céréales, du chocolat, des agrumes et des fruits séchés et cuits” [Translation: “Confectionary products, namely chocolate bars and energy bars containing cereals, chocolate, citrus and dried and cooked fruits”].

The present application was advertised for opposition purposes in the *Trade-marks Journal* of April 30, 1997 and the opponent, SARAMAR CORPORATION, filed a statement of opposition on September 29, 1997, a copy of which was forwarded to the applicant on October 21, 1997. The applicant served and filed a counter statement in response to the statement of opposition on May 7, 1998. The opponent submitted as its evidence the affidavit of Generosa Castiglione which introduces into evidence a certified copy of registration No. 417,273 for the trade-mark KAYO covering “Chocolate syrups and powders convertible into food beverages and also used as foods and food flavorings”. The applicant submitted as its evidence the affidavit of Jean G. Robert. The opponent alone filed a written argument and both parties were represented at an oral hearing.

The applicant has submitted the affidavit of Jean G. Robert, lawyer and the authorized representative of the applicant, in support of its application. The opponent has submitted that little, if any, weight ought to be attributed to Mr. Robert’s evidence in that much of his affidavit is hearsay. Also, the opponent noted that Mr. Robert represented the applicant as counsel at the oral hearing and that this was a further reason to accord little weight to his affidavit. I have reproduced below a copy of the substantive paragraphs of Mr. Robert’s affidavit.

1. Je suis le représentant autorisé de la Requérante.
2. La Requérante a la conviction d'avoir le droit d'employer sa marque de commerce au Canada en liaison avec des produits finis de confiserie notamment des barres de chocolat, contenant des agrumes et des fruits séchés et cuits.
3. Les produits mentionnés au paragraphe 2 ci-dessus, fabriqués par la Requérante, seront vendus directement aux consommateurs.
4. L'Opposante, par contre, rattache sa marque à des matières premières nommément des « chocolate syrups and powders convertible into food beverages and also used as foods and food flavorings ». Son réseau de distribution diffère complètement de celui de la Requérante. Cette dernière étant fabricant et grossiste, par conséquent, vise plutôt des commerçants, lesquels convertissent les produits et les revendent aux consommateurs par la suite.
5. De plus, les mots KADO et KAYO sont tellement différents que la prétention de l'Opposante qu'il peut y avoir confusion relève de la plus pure fantaisie.

Paragraphs 2 and 5 of Mr. Robert's affidavit are more in the nature of argument relating to the issues to be determined by the Registrar in this opposition rather than an attempt to establish facts in support of the applicant's case. Thus, this evidence is of little assistance to the applicant. Further, Mr. Robert has not established that he is competent to comment on the nature of the opponent's wares and the nature of the trade associated with those wares or the nature of the trade associated with the applicant's wares. I have therefore accorded no weight to paragraphs 3 and 4 of the Robert affidavit. Apart from the above, the applicant conceded at the oral hearing that the Robert affidavit was irrelevant to the determination of the outcome of this opposition. As a result, I have accorded little weight to Mr. Robert's evidence.

The following are the grounds of opposition asserted by the opponent in its statement of opposition:

- a) The present application does not comply with the requirements of subsection 30(i) of the *Trade-marks Act* in that the applicant could not state that it was satisfied that it was entitled to use the applied for trade-mark in Canada in association with the wares described in the application.
- b) The applied for trade-mark is not registrable having regard to the provisions of paragraph 12(1)(d) of the *Trade-marks Act* in that the applicant's trade-mark KADO

is confusing with its registered trade-mark KAYO, registration No. 417,273, covering “Chocolate syrups and powders convertible into food beverages and also used as foods and food flavorings”.

c) The applied for trade-mark is not distinctive within the meaning of section 2 of the *Trade-marks Act* in that the trade-mark KADO would not distinguish and is not adapted to distinguish the wares in association with which it is used from the wares associated with the opponent’s trade-mark KAYO.

The first ground of opposition is based on subsection 30(i) of the *Trade-marks Act*. While the legal burden is on the applicant to show that its application complies with section 30 of the *Trade-marks Act*, there is an initial evidential burden on the opponent to establish the facts relied on by it in support of its section 30 ground [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330; and *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R.(3d) 293]. Further, the material time for considering the circumstances respecting the issues of non-compliance with section 30 of the *Act* is the applicant’s filing date [see *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R.(3d) 469, at p. 475].

No evidence has been furnished by the opponent to show that the applicant could not have been satisfied that it was entitled to use its trade-mark KADO in Canada. Furthermore, to the extent that the subsection 30(i) ground is founded upon allegations set forth in the remaining grounds of opposition, the success of this ground is contingent upon a finding that the applicant’s trade-mark is not registrable or not distinctive, as alleged in those grounds [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]. I will therefore consider the opponent’s two remaining grounds of opposition.

As its second ground, the opponent has alleged that the applicant’s trade-mark KADO is not registrable in that it is confusing with its registered trade-mark KAYO covering “Chocolate syrups

and powders convertible into food beverages and also used as foods and food flavorings”. The legal burden is on the applicant to establish that there would be no reasonable likelihood of confusion between the trade-marks at issue as of the date of decision, the material date with respect to the paragraph 12(1)(d) ground [see *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd. et al*, 37 C.P.R. (3d) 413 (F.C.A.)]. Further, in determining whether there would be a reasonable likelihood of confusion between the applicant’s trade-mark KADO and the opponent’s registered trade-mark KAYO, the Registrar must have regard to all the surrounding circumstances including, but not limited to, those specifically enumerated in subsection 6(5) of the *Trade-marks Act*.

Considering the inherent distinctiveness of the trade-marks at issue [para.6(5)(a)], both the applicant’s trade-mark KADO as applied to the wares covered in the present application and the opponent’s registered trade-mark KAYO as applied to “Chocolate syrups and powders convertible into food beverages and also used as foods and food flavorings” are inherently distinctive. Since no evidence of use of its trade-mark KAYO has been furnished by the opponent and as the applicant’s evidence does not establish that it has yet commenced use of its proposed use trade-mark KADO in Canada, I find that neither the extent to which the trade-marks have become known [para.6(5)(a)] nor the length of time the marks have been in use [para.6(5)(b)] favours either the applicant or the opponent.

As for the nature of the wares of the parties [para.6(5)(c)], the applicant’s confectionary preparations made from cereals, chocolate, citrus; dried and cooked fruits and its chocolate bars and energy bars differ from the opponent’s chocolate syrups and powders convertible into food beverages and also used as foods and food flavorings. With respect to the nature of the trade of the parties [para.6(5)(d)], the applicant submitted during the oral hearing that the statement of wares covered in the opponent’s registration is ambiguous and therefore could be interpreted as covering chocolate syrups and powders which would be sold to other companies for use in the production of food beverages or other food products. Consequently, the applicant asserted that the burden in this opposition was on the opponent who has relied on its registration to show that its wares would be sold through the same channels of trade as the wares of the applicant. The opponent, on the other hand, submitted that there was no limitation in its statement of wares which restricted the sale of its

wares to manufacturers who would use its chocolate powders and syrups in the production of other food products. Rather, the opponent argued that the wares covered in its registration could include chocolate syrups and powders sold to consumers for mixing with milk or water in order to produce a chocolate-flavoured beverage.

I believe that the immediate reaction of the average person on reading the opponent's statement of wares is that its chocolate powders and syrups are intended for consumers who would use them for making chocolate-flavoured beverages or as a dessert topping, as opposed to being wares intended for sale to other manufacturers for use in their production of food beverages or other food products. Thus, the wares of both parties might well be sold through the same supermarkets, grocery stores or the like and might well be sold in the same area of such retail outlets. There is, therefore, a potential overlap in the channels of trade of the parties. In any event, if such is not the case, the burden is on the applicant to adduce admissible evidence which would satisfy the Registrar that there would be no potential overlap in the channels of trade associated with the respective wares of the parties.

Considering next the degree of resemblance between the trade-marks KADO and KAYO, and bearing in mind the bilingual character of Canada, the issue of confusion must be assessed in a bilingual context wherein one accords as much importance to the French language as to the English language [see, in this regard, *Etablissements Leon Duhamel, now K Way International v. Créations K.T.M. Inc.*, 11 C.P.R. (3d) 33]. I would also note the following comments of the Hearing Officer in *Les Vins La Salle Inc. v. Les Vignobles Chantecler Ltée*, 6 C.P.R. (3d) 533, at pp. 535 to 536:

“In the present case, the most important circumstances in determining whether the applicant's trade mark is confusing with the opponent's trade mark are the inherent distinctiveness of the trade marks and the degree of resemblance between them in appearance and sound and in the ideas suggested by them. The significance of these circumstances is naturally very dependent upon the linguistic context in which they are considered. The applicant submitted as reasons for concluding that the trade marks are not confusing that as used in association with wines, the word "plaisir" in French suggests that the drinking of the wine will result in pleasure and that therefore it is a weak part of both the applicant's and the opponent's trade marks in terms of inherent distinctiveness. The applicant also submitted that the ideas suggested in French by the trade marks are quite different. At p. 8 of the applicant's argument it is stated:

D'une part, la marque "PLAISIR DIVIN" de l'Opposante employée en

liaison avec des vins connote un vin fournissant une joie ou une émotion agréable réservée aux dieux. ... Par contre, la marque "PLAISIR D'AMOUR" connote plutôt le caractère romantique et intime associé à la consommation du vin."

As pointed out by the opponent, however, the reaction of a unilingual anglophone to these trade marks would be quite different. A unilingual anglophone would likely react to the word "plaisir" as a coined word. He might guess that it is a French word but he would have no knowledge as to its meaning.

Given the bilingual nature of Canada and bearing in mind the recent comments of Joyal J. in *Boy Scouts of Canada v. Alfred Sternjakob GmbH & Co. KG et al.* (1984), 2 C.P.R. (3d) 407 at pp. 412-3 and Strayer J. in *Scott Paper Co. v. Beghin-Say S.A.* (F.C.T.D., May 21, 1985, unreported, T-1543-84) at pp. 9-10 [since reported 5 C.P.R. (3d) 225 at p. 231] it is evident that the question of confusion should be assessed in a bilingual context in which both the English and French languages are accorded equal importance. It appears to me that there are two basic ways in which this goal might be accomplished: i) assess the question of confusion in the context of unilingual francophones, unilingual anglophones and bilingual persons and then if two trade marks are confusing to the average member of any of these groups conclude that the trade marks are confusing, or ii) assess the question of confusion in the context of bilingual persons only. The former approach would appear to be flawed in that it is inconsistent with the long established principle that trade marks which are descriptive in English or French of the wares or services with which they are associated are weak and only entitled to a narrow ambit of protection: see, e.g., *General Motors Corp. v. Bellows* (1949), 10 C.P.R. 101. If one followed the former approach, one would have to conclude that most trade marks which are descriptive in the English language only are still strong because they would have no meaning for an average unilingual francophone and vice versa. This could effectively permit individuals to obtain monopolies in descriptive words which would clearly be contrary to the public interest and to the intent of the Trade Marks Act. The latter approach of considering the question of confusion in the context of bilingual persons only is somewhat artificial in that only a minority of Canadians are actually bilingual; however, because of the above discussed flaw with the former approach, I consider it much more reasonable to follow the latter approach.

Considering then the question of confusion from the point of view of a bilingual person, he would be aware of the descriptive connotations of the word "plaisir" in association with wine and of the difference in the ideas suggested by the two trade marks and, accordingly, he would probably be less likely to be confused than a unilingual anglophone. Nevertheless, having regard to all the other circumstances, I do not consider that this awareness is sufficient to avoid the likelihood of confusion. Both trade marks consist of two parts, the first in each case being "plaisir" and the second parts "divin" and "d'amour" being of about equal length and both starting with the letter "d". In my view, for an average bilingual person of ordinary intelligence having an imperfect recollection of the opponent's trade mark PLAISIR DIVIN and seeing the applicant's trade mark PLAISIR D'AMOUR as a matter of first impression there would still be a fairly high degree of resemblance."

In the present case, the trade-marks at issue possess some similarity in appearance although the marks do not suggest any ideas in common. Further, I believe that the average bilingual Canadian might be just as likely to sound the applicant's mark KADO in a manner similar to the sounding of the opponent's mark KAYO as to sound it in a manner similar to the French word "cadeau" which would be quite different from the sounding of the opponent's mark. As a result, I find there to be at least some similarity in the sounding between the trade-marks at issue.

Having regard to the foregoing and, in particular, to the fact that there is some similarity in appearance between the trade-marks at issue as applied to wares which are generally food products which could travel through the same channels of trade, I find that I am left in doubt as to the likelihood of confusion between the applicant's trade-mark KADO and the opponent's registered trade-mark KAYO. I am therefore obliged to resolve that doubt against the applicant and have, as a result, concluded that the applicant has failed to meet the legal burden on it in respect of the issue of confusion in relation to the second ground. Thus, the applicant's trade-mark KADO is not registrable in view of paragraph 12(1)(d) of the *Trade-marks Act*. As a result, it is unnecessary to consider the final ground of opposition relating to the alleged non-distinctiveness of the applicant's trade-mark.

Having been delegated by the Registrar of Trade-marks by virtue of 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 1ST DAY OF FEBRUARY, 2001.

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