

**IN THE MATTER OF AN OPPOSITION
by Chi-Chi's Inc. to application
No. 615,943 for the trade-mark
CHI-CHI filed by Importations &
Exportations Lam Inc.**

On September 28, 1988, the applicant, Importations & Exportations Lam Inc., filed an application to register the trade-mark CHI-CHI based on proposed use in Canada for a number of different wares. The application was advertised for opposition purposes on September 28, 1988. On July 16, 1991, the application was amended to delete a number of items from the statement of wares which currently reads as follows:

**jewellery - watches, imitation jewellery
- silver and gold, jewellery - necklaces,
bracelets, earrings, rings, pins, clocks,
cosmetics, namely perfumes, lipsticks,
electronic goods, namely radios,
telephones, antennas, radio AC/DC adapters,
stationery, namely erasers, pencils, writing
paper, pens, telephone address books.**

The opponent, Chi-Chi's, Inc., filed a statement of opposition on June 9, 1989, a copy of which was forwarded to the applicant on July 5, 1989. The first ground of opposition is that the applicant's application does not comply with the provisions of Section 30(i) of the Trade-marks Act in that the applicant could not have been satisfied that it was entitled to use its trade-mark in view of various trade-mark registrations and pending applications owned by the opponent. The second ground is that the application does not comply with the provisions of Section 30(e) of the Act because the applicant did not intend to use its trade-mark.

The third ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Act because it is confusing with six registered trade-marks of the opponent. Each of the six registered marks includes or comprises the trade-mark CHI-CHI'S in a particular design format illustrated below. Five of the registrations cover "restaurant services" and the sixth covers "glass beverageware."

The fourth ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(3) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the opponent's six registered marks previously used and made known in Canada. The fourth ground is also based on prior use of the opponent's trade-mark CHI-CHI'S & Design (shown above) in association with "alcoholic beverages, namely, prepared margaritas", "sauces, namely, tomato based sauces, with differing spices", "corn chips" and "clothing, souvenirs, memorabilia and other merchandizing items." The fifth ground of opposition is that the applicant's trade-mark is not distinctive in view of the foregoing.

The applicant filed and served a counter statement. As its evidence, the opponent filed the affidavit of Nicola M. Hunt and two affidavits of Michael J. Guerra. The applicant filed the affidavit of Linda Thibeault. The applicant also filed two photocopied excerpts from dictionaries but they were not submitted by way of an affidavit or a statutory declaration as required by Rule 44 of the Trade-marks Regulations. Both parties filed a written argument and an oral hearing was conducted at which both parties were represented.

As for the ground of non-compliance with Section 30(i) of the Act, the opponent's allegations of fact are insufficient to support such a ground. The mere existence of the opponent's various trade-marks does not, by itself, have any bearing on the accuracy of the applicant's statement in its application that it is satisfied that it is entitled to use its mark in Canada. As for the ground of non-compliance with Section 30(e) of the Act, the opponent has failed to file any evidence suggesting that the applicant did not intend to use its applied for trade-mark when it filed its application. Thus, the first two grounds of opposition are unsuccessful.

As for the third ground of opposition, the material time for considering the

circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in Conde Nast Publications Inc. v. Canadian Federation of Independent Grocers (1991), 37 C.P.R.(3d) 538 at 541-542 (T.M.O.B.). Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Finally, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act.

The most pertinent of the opponent's registered marks are Nos. 248,710 and 316,127 both of which are for the trade-mark CHI-CHI'S & Design illustrated above, the former covering "restaurant services" and the latter covering "glass beverageware." Thus, a consideration of the issue of confusion between these two registered marks and the applicant's mark will effectively decide the third ground of opposition.

As for Section 6(5)(a) of the Act, the word "chichi" is defined in Webster's New Collegiate Dictionary as both a noun and an adjective as follows:

1 : elaborately ornamented: showy, frilly
<a * dress> 2 : arty, precious <* poetry>
3 : chic, fashionable <a * nightclub>

1 : frilly or elaborate ornamentation
2 : affectation, preciousity 3 : chic

The dictionary entry also indicates that the word can be pronounced either as "shee shee" or as "chee chee."

In view of the above, the applicant's trade-mark CHI-CHI has a somewhat laudatory connotation when used with the applied for wares. Likewise, the opponent's trade-mark CHI-CHI'S & Design has a somewhat laudatory connotation for glass beverageware and, when used with the opponent's services, it suggests a chic or fashionable restaurant. Thus, neither mark is inherently strong.

There is no evidence of use of the applicant's mark. Thus, I must conclude that it has

not become known at all in Canada. There is also no evidence of use of the opponent's registered mark for glass beverageware. As for restaurant services, Mr. Guerra, in his affidavits, consistently refers to use of the word mark CHI-CHI'S by the opponent's Canadian franchisees rather than any of the specific registered design versions of that mark relied on in the statement of opposition. However, it is apparent from a review of paragraph 9 of his first affidavit and the exhibits appended thereto that his references to the trade-mark CHI-CHI'S are intended to be references to the particular design version of the mark illustrated above which appears as the sole or dominant component of each of the opponent's six registered marks. Thus, given the substantial sales figures and advertising expenditures provided by Mr. Guerra, I can conclude that the opponent's registered mark has become known throughout most of Canada in association with restaurant services.

The length of time the marks have been in use favors the opponent. The applicant's wares are entirely different in nature from the opponent's restaurant services and glass beverageware. The applicant's wares fall within such classes as jewellery, cosmetics, electronic goods and stationery. The opponent has evidenced no connection between such wares and its own wares and services.

In view of the above, I also consider that the trades of the parties would be entirely different. The opponent has sought to show a connection between the trades of the parties as a consequence of sales of additional wares bearing one or other of the opponent's registered trade-marks.

Mr. Guerra, in his affidavits, makes reference to the opponent's "Momento Shops" which he states are located in the opponent's restaurants. According to Mr. Guerra, these shops sell souvenir clothing items and various food products related to the opponent's restaurant operation. However, Mr. Guerra fails to state if any of his company's Canadian franchisees operate such shops in conjunction with their restaurant outlets. Although he does state that sales of the food and clothing items referred to have been made in Canada, his affidavits are otherwise insufficiently precise to determine the extent of such sales.

Even if some of the opponent's Canadian franchisees are operating "Momento Shops", such activities do not point to a connection between the trades of the parties. The clothing and food items sold through such shops are different from the wares for which the applicant seeks registration. Furthermore, a "Momento Shop" is operated as an adjunct to a restaurant operation rather than as an independent retail outlet. If it does anything, the operation of any "Momento Shops" by Canadian franchisees points to possible non-distinctive use of the opponent's trade-mark CHI-CHI'S & Design by licensees of the opponent who are not recorded as registered users in respect of the food and clothing items sold through such outlets.

As for Section 6(5)(e) of the Act, I consider there to be a very high degree of resemblance between the marks of the parties in all respects. The applicant has submitted state of the register evidence in an attempt to minimize the effect of the degree of resemblance between the marks. However, that evidence only points to one registration for the independent component CHI for wares similar to those of the applicant. Apart from the marks of the applicant and the opponent, there are apparently no marks of record in the Trade-marks Office comprising a reduplication of the component CHI for any related wares or services. Thus, I am unable to make any inferences about possible common adoption of that element as a component of trade-marks used by other traders in the field. Even if such a conclusion could be made, it would do little to assist the applicant since the trade-marks at issue are essentially identical and there is little beyond the common element CHI-CHI to distinguish them aurally or visually.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the wide disparity in the wares, services and trades of the parties and the inherent weakness of the marks at issue, I find that the marks of the parties are not confusing. Thus, the third ground of opposition is unsuccessful.

As for the fourth ground of opposition, there is an initial burden on the opponent to evidence use of each of the marks it is relying on prior to the applicant's filing date. As noted,

the opponent has relied on various design marks whereas the Guerra affidavits, for the most part, refer only to use of the word mark CHI-CHI'S. As also noted, a fair reading of the Guerra affidavits allows me to conclude that there has been fairly extensive use of the design version of the trade-mark illustrated above for restaurant services. However, given my conclusions respecting the issue of confusion noted above and given the earlier applicable material time respecting this ground, I consider that the marks of the parties are not confusing and the fourth ground is also unsuccessful insofar as it is based on prior use of the opponent's various registered marks.

The opponent has also relied on prior use of its trade-mark CHI-CHI'S & Design for various clothing, food and souvenir items. There is no clear evidence of prior use of the mark for food and souvenir items. Paragraph 9 of Mr. Guerra's first affidavit and Exhibits A to L to that affidavit suggest that there may have been some sales of clothing items bearing one or other of the opponent's registered marks by one or more of the opponent's Canadian franchisees. However, it is not clear if such sales would have resulted in use by the opponent or by its franchisees. If the latter is the case, the opponent cannot rely on such use in the absence of a trade-mark registration covering such wares and the appropriate registered user records in favor of the franchisees. Thus, the opponent has also failed to evidence prior use of its trade-mark for the additional wares relied on.

The opponent has also failed to evidence making known of its various trade-marks prior to the applicant's filing date pursuant to the provisions of Section 5 of the Act. Thus, on all counts, the opponent's ground of prior entitlement is unsuccessful.

The material time for considering the circumstances respecting the fifth ground is as of the filing of the opposition: see Re Andres Wines Ltd. and E. & J. Gallo Winery (1975), 25 C.P.R.(2d) 126 (F.C.A.). This ground, too, is restricted to the opponent's use of its registered marks and its trade-mark CHI-CHI'S & Design. As discussed, the opponent has evidenced fairly extensive use of the trade-mark CHI-CHI'S & Design for restaurant services but the Guerra affidavits are less than precise respecting use of that mark for food, clothing and

souvenir items. Thus, the fifth ground essentially turns on the issue of confusion as considered above respecting the third ground. Given the earlier material time for considering that issue respecting the fifth ground, the opponent's case is, if anything, weaker than for its third ground. Thus, I find that the marks are not confusing and the fifth ground is also unsuccessful.

In view of the above, I reject the opponent's opposition.

DATED AT HULL, QUEBEC, THIS 30th DAY OF JUNE 1992.

**David J. Martin,
Member,
Trade Marks Opposition Board.**