

IN THE MATTER OF AN OPPOSITION by Georgia Pacific Corporation
to application No. 689,717 for the trade-mark MD filed by Scott Paper
Limited

On October 18, 1991, the applicant, Scott Paper Limited, filed an application to register the trade-mark MD based on use in Canada since 1979 on toilet paper. The application was advertised for opposition purposes in the Trade-Marks Journal of January 15, 1992, and the opponent, Georgia Pacific Corporation, filed a statement of opposition on June 15, 1992.

In the statement of opposition, the opponent requested that the applicant's application should be immediately rejected because the doctrine of *res judicata* applies, i.e. the same issues have been previously determined by the Trade-Marks Office and the Federal Court of Canada. The previous decisions to which the opponent refers include the following:

- 1) Scott Paper Company was the owner of trade-mark registration TMDA 251/54012 dated March 12, 1932 for a trade-mark including the letters MD as applied to toilet paper. This registration was voluntarily allowed to be expunged through non-renewal in 1972.
- 2) Scott Paper Company was the owner of trade-mark registration 193,141 dated August 3, 1973 for the trade-mark MD as applied to toilet paper and the applicant Scott Paper Limited was a registered user. By order of the Federal Court in Court Action No. T-3394-78 this registration 193,141 was expunged.
- 3) The applicant was the owner of trade-mark application 438,168 filed April 11, 1979 subsequent to the aforesaid court order for the identical trade-mark MD as applied to toilet paper. On October 19, 1984 Hearing Officer David J. Martin rendered a decision refusing such application on several grounds including non-use as claimed. This decision was appealed by the applicant herein to the Federal Court of Canada but this appeal was dismissed due to want of prosecution in 1991, following which the applicant has now again re-applied for the same trade-mark MD as applied to toilet paper.

A review of the record suggests that the opponent's request was not granted and instead, a copy of the statement of opposition was forwarded to the applicant. In any event, I do not consider that the doctrine of *res judicata* applies. First, as the applicant pointed out, it was held in Sunny Crunch Foods v. Robin Hood Multifoods, 70 C.P.R. (2d) 244, that *res judicata* does not apply in opposition proceedings. Second, even if I were to consider applying the doctrine, I would not be satisfied that the issues raised before are the same as in the present case. For example, in the opposition decision Georgia Pacific Corporation v. Scott Paper Ltd. (1984), 3 C.P.R. (3d) 469 (hereinafter Georgia Pacific), regarding application 438,168 for the trade-mark MD, the primary issue was whether a long use followed by a long abandonment could justify a new application. Even though this application was rejected on the ground that the applicant failed to comply with s.30(b) (then s.29(b)) of the Act for failure to show use of the mark during the period 1966 to the filing date of the application, i.e. April 11, 1979, it does not, in my view, prejudice the applicant

from filing a further application based on use since 1979. Furthermore, since the recent Federal Court Trial Division decision Labatt Brewing Company Limited v. Benson & Hedges (Canada) Limited and Molson Breweries, a Partnership (Court No. T-777-94; March 22, 1996, hereinafter Labatt v. Benson & Hedges) held that abandonment is not an issue under s.30(b), the s.30(b) issue in the present case is different than it was when hearing officer Martin rendered his decision in Georgia Pacific, supra.

The opponent presented the following grounds of opposition to be considered if the Trade-Marks Office did not immediately reject the applicant's application. Under s.38(2)(a) of the Trade-Marks Act, R.S.C. 1985, c. T-13 (hereinafter "the Act"), the opponent submits that the application does not comply with the requirements of s.30 because the date of first use claimed in the application is incorrect and that the said trade-mark had not been used as claimed. As its second ground of opposition, the opponent maintains that under s.38(2)(c) the applicant is not the person entitled to the registration of the mark pursuant to s.16(1) of the Act because at the date of first use alleged, the applicant's trade-mark was confusing with the trade-mark MD which had been previously used and advertised in Canada by the opponent. The opponent alleges as its third ground of opposition that under s.38(2)(d), the trade-mark is not distinctive within the meaning of s.2 of the Act because it does not actually distinguish nor is adapted to distinguish the wares of the applicant from the wares of the opponent.

The applicant filed and served a counterstatement on August 19, 1992, in which it denied the allegations asserted by the opponent in its statement of opposition. As its evidence, the opponent filed the affidavits of Annette Mayer, Debra MacDonald, Jennifer McKay, Don Colbourn, Walter Krueger and Edwin Eaton. Attached to the Krueger and Eaton affidavits were previous affidavits sworn by them which had been used in previous proceedings with the Federal Court. In view that both previous affidavits were incorporated by reference by Mr. Krueger and Mr. Eaton in their affidavits, and in view that the applicant had opportunity to cross-examine these affiants on the contents of those previously filed affidavits, I will consider the contents of these earlier affidavits to constitute part of the current affidavits, and as part of the evidence. The affidavits of Michael Godwin, and Donald L. Pettit and a certified copy of file No. 662,774 relating to an application for registration of the trade-mark MD & Design filed July 24, 1990, and abandoned May 3, 1993, were submitted as the applicant's evidence. Mr. Pettit was cross-examined on his affidavit and the transcript of that cross-examination forms part of the record of this opposition. As its reply evidence, the opponent filed a certified copy of a letter to Smart & Biggar from the Registrar of Trade-marks showing that application No. 662,775 for the trade-

mark MD was abandoned March 12, 1993. Both parties filed written arguments and both were represented at an oral hearing.

With respect to the first ground of opposition, the material time for considering the circumstances respecting a ground of non-compliance under s.30(b) of the Act is as of the applicant's filing date (i.e. October 18, 1991). Although the legal burden with respect to this ground is on the applicant (see the opposition decisions in Joseph Seagram & Sons v. Seagram Real Estate (1984), 3 C.P.R. (3d) 325 and John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R. (3d) 293 (F.C.T.D.)), there is an initial evidential burden on the opponent respecting its allegations of fact in support of a s.30(b) ground. That burden is lighter respecting the issue of non-compliance with s.30(b) of the Act (see the opposition decision in Tune Masters v. Mr. P's Mastertune Ignition Services Ltd. (1986), 10 C.P.R. (3d) 84). Finally, Section 30(b) requires that there be continuous use of the applied for trade-mark in the normal course of trade since the date claimed: see page six of the decision of the Federal Court in Labatt v. Benson & Hedges, supra.

The opponent submitted that the date of first use claimed by the applicant was apparently selected to avoid prior applications or registrations for the identical trade-mark owned by the applicant or its parent United States company where earlier dates of first use may have been claimed. Documentation pertaining to the history of the trade-mark, as set out above, was attached to the McKay affidavit. In my view, the present case concerns the subject application and not those applications previously filed by the applicant. Consequently, I am not satisfied that the opponent has satisfied its evidentiary burden to show that the date of first use claimed in the applicant's application is incorrect.

Even if I were to have regard to those previous decisions of the Trade-Marks Office or the Federal Court, I would be of the opinion that an expunged registration or a rejected application does not prejudice the applicant from filing a further application based on a new date of first use. Further, I would be satisfied from the Pettit affidavit that the applicant has evidenced use of its trade-mark between 1979 and the date of the application, October 18, 1991. Consequently, this ground of opposition is not successful.

The remaining grounds of opposition under s.16(1) and s.38(2)(d) are both contingent upon a finding of confusion. As the opponent's strongest case appears to be under s.16(1), a finding under this ground will effectively decide the ground of opposition under s.38(2)(d).

Sections 16(1) and 16(5) of the Act require the opponent to demonstrate the following: 1) use or making known of its trade-mark prior to the date of first use claimed in the applicant's application (i.e. 1979); and 2) non-abandonment of that mark as of the applicant's advertisement date (i.e. January 15, 1992). From the evidence furnished, I am satisfied that the opponent has shown use of its mark prior to the date of first use claimed in the applicant's application. In his previous affidavit, Mr. Krueger states that Georgia Pacific had sold toilet paper under the MD mark in Canada since 1967 (until the date of his affidavit, July 24, 1978). To corroborate this assertion, he attached representative invoices showing sales of MD toilet paper by Georgia Pacific to New System Linen Limited in Canada between 1967 and 1977. Further, as Exhibit D he attached a copy of what he described as a typical wrapper affixed to each of the above referred to rolls of toilet paper sold in Canada displaying the trade-mark. The Mayer affidavit also asserts that there have been continuing sales of toilet paper sold in association with the trade-mark in Canada since at least as early as 1967.

With respect to the issue of non-abandonment, the applicant appears to rely on the evidence showing that the applications of the opponent to register the trade-marks MD and MD & Design in Canada were abandoned March 12, 1993, and May 3, 1993, respectively. I agree with the applicant that this evidence may show the opponent's intention to abandon its applications to register these trade-marks. However, as the agent for the opponent submitted at the oral hearing, the issue is not whether the opponent can show that it has not abandoned an application to register a trade-mark but rather whether the opponent can show that it had not abandoned its trade-mark at the date of advertisement of the applicant's mark, i.e. January 15, 1992. As stated above, the Mayer affidavit established that there have been continuous sales of toilet paper under the MD trade-mark since at least 1967. Attached as Exhibit D to the Mayer affidavit are representative invoices showing sales of MD toilet paper to Canada in 1985 and 1992. From this evidence, I am prepared to infer that the opponent had not abandoned its mark at the date of the advertisement of the applicant's application.

In view of the above, it was incumbent on the applicant to prove that there was no reasonable likelihood of confusion between the marks. In applying the test for confusion set forth in s.6(2) of the Act, consideration is to be given to all of the surrounding circumstances, including those specifically set forth in s.6(5) of the Act. In the present case, the marks are identical and the wares for which use has been shown are identical. In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection (see Miss Universe Inc. v. Bohna (1994), 58 C.P.R. (3d) 381 (F.C.A.)). From the evidence furnished,

I am not satisfied that the applicant has met the legal burden upon it to show that there would be no reasonable likelihood of confusion between the trade-marks at issue, within the meaning of s.6 of the Act. The ground of opposition under s.16 is therefore successful.

In view of the reasons stated above, and with the authority delegated to me under s.63(3) of the Act, I refuse the applicant's application pursuant to s.38(8) of the Act.

DATED AT HULL, QUEBEC, THIS 20th DAY OF SEPTEMBER, 1996.

Cindy R. Vandenakker
Hearing Officer
Trade-Marks Opposition Board