



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

Citation: 2010 TMOB 63
Date of Decision: 2010-05-11

**IN THE MATTER OF AN OPPOSITION by
Scenic Holidays (Vancouver) Ltd. to application
No. 1,128,430 for the trade-mark ROYAL
SCENIC HOLIDAYS filed by Royal Scenic
Holidays Limited.**

[1] On January 17, 2002, Royal Scenic Holidays Limited (the Applicant) filed an application to register the trade-mark ROYAL SCENIC HOLIDAYS (the Mark) based upon use in Canada since December 17, 1997 in association with services (1) *travel agency services, namely the making of travel arrangements for others including transportation arrangements, accomondation [sic] arrangements, meal arrangements, entertainment and exhibit reservations and tours*, and use in Canada since June 2001 with services (2) *educational courses for those in the travel industry, the educational courses being about Asia and arranging trips for others to Asia*.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of April 2, 2003.

[3] On June, 2, 2003, a statement of opposition against the application was filed by Scenic Holidays (Vancouver) Ltd. (the Opponent), setting out grounds based on s. 38(2)(a), (c) and (d) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act).

[4] The Applicant filed and served a counter statement, in which it denied the

Opponent's allegations.

[5] In support of its opposition, the Opponent filed the affidavit of Elton Leung together with Exhibits A to T-2 (the first Leung affidavit). The Applicant obtained an order for the cross-examination of this affiant but a cross-examination was not conducted.

[6] Subsequently, the Opponent was granted leave to file additional evidence consisting of a certified copy of registered trade-mark No. TMA659,396 for SCENIC HOLIDAYS and was further granted leave to amend its statement of opposition adding a ground of opposition based on s. 38(2)(b) and s. 12(1)(d) of the Act.

[7] In support of its application, the Applicant filed the affidavit of Ivy Yeung appending Exhibits A to O.

[8] As reply evidence, the Opponent filed the affidavit of Elton Leung together with Exhibits A to Z (the second Leung affidavit). Once again, the Applicant obtained an order for the cross-examination of this affiant but elected not to proceed with the cross-examination.

[9] Both the Opponent and the Applicant filed a written argument. I note that with its written argument, the Applicant sought leave to amend its application changing the date of first use from December 17, 1997 to December 19, 1997 in association with its travel agency services. However, by ruling dated April 10, 2008, the Registrar refused leave, in that the amendment contravenes the provisions of Rule 32(b) of the *Trade-marks Regulations*. Accordingly, the initial application dated 17 January, 2002 as advertised on April 2, 2003 remains the application of record.

[10] A hearing was conducted at which both parties were represented.

Grounds of Opposition

[11] The amended statement of opposition dated March 14, 2006 sets out eight grounds of opposition. The following is my analysis of the grounds, although not necessarily in the order that they were pleaded.

Ground of opposition based on s. 38(2)(a) and s.30(b)

[12] The second ground of opposition is as follows:

1.b. Contrary to Sections 38(2)(a) and 30(b) of the *Trade-marks Act*, to the extent that the Applicant or any predecessor in title may have used the trademark at all, which is denied, the Applicant had not done so since the date of first use alleged in the application.

[13] The material date for considering the circumstances respecting the issue of the Applicant's compliance with s. 30 is the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.) at 475]. The legal onus is on the Applicant to show that its application complies with s. 30 but, to the extent that the Opponent relies on the allegations of fact in support of its s. 30 ground, there is an evidential burden on the Opponent to prove those allegations [see *Joseph E. Seagrams & Sons Ltd. v. Seagrams Real Estate Ltd.* (1984), 3 C.P.R. (3d) 325]. Also, to the extent that the relevant facts are more readily available to the Applicant, the evidentiary burden on the Opponent with respect to this ground of opposition is lighter, and can be met by reference not only to the Opponent's evidence but also to the Applicant's evidence, provided that the Applicant's evidence is clearly inconsistent with the claims set forth in its application [see *Tune Masters v. Mr. P's Mastertune Ignition Services Ltd.* (1986), 10 C.P.R. (3d) 84 (T.M.O.B.); *Labatt Brewing Company Limited v. Molson Breweries, a Partnership*, 68 C.P.R. (3d) 216 (F.C.T.D)].

[14] The Applicant asserts in its application that the Mark has been used by the Applicant in association with *travel agency services, namely the making of travel*

arrangements for others including transportation arrangements, accomodation [sic] arrangements, meal arrangements, entertainment and exhibit reservations and tours, since at least as early as December 17, 1997. The Opponent challenges this date of first use by submitting that the Applicant could not have used the Mark since December 17, 1997 because the Applicant was not yet in existence at that time. In support of this allegation, the Opponent filed a certified copy of an Ontario corporate search establishing the Applicant's date of incorporation as December 19, 1997 (Exhibit M-1 of the first Leung affidavit). In my view this information satisfies the Opponent's light initial burden by showing that the Applicant could not have used the Mark since the date of first use claimed in the application because it did not exist at that time.

[15] It was thus incumbent on the Applicant to positively evidence its date of first use with travel agency services [services (1)], which has not been done. The Applicant's own evidence reiterates the date of first use as December 17, 1997 (paragraphs 28, 34, 54 of Ivy Yeung's affidavit). The Applicant attempted to remedy this inconsistency by amending the date of first use with services (1) to reflect the Applicant's date of incorporation. However as previously indicated, the Registrar refused this amendment as it contravenes the provisions of Rule 32(b) of the *Trade-marks Regulations*. The result is that the s. 30(b) ground succeeds with respect to services (1).

[16] Having regard to the foregoing, I maintain the ground of opposition based upon non-compliance with s. 30(b) of the Act for services (1) *travel agency services, namely the making of travel arrangements for others including transportation arrangements, accomodation [sic] arrangements, meal arrangements, entertainment and exhibit reservations and tours.*

[17] As for services (2) *educational courses for those in the travel industry, the educational courses being about Asia and arranging trips for others to Asia,* the Opponent has not filed any evidence challenging the date of first use, nor has pointed to any clear inconsistencies in the Applicant's evidence with respect to the claimed date of

first use in association with these services. Consequently, as the Opponent has failed to meet its burden in this regard, I dismiss the ground of opposition based upon non-compliance with s. 30(b) of the Act for services (2).

Ground of opposition based on s. 38(2)(b) and s. 12(1)(d)

[18] In view of my previous findings with respect to non-compliance with s. 30(b) of the Act, I will only assess the ground of opposition based on s. 12(1)(d) in respect of the remaining services (2) namely, *educational courses for those in the travel industry, the educational courses being about Asia and arranging trips for others to Asia*, claimed to be used by the Applicant in Canada since 2001.

[19] The ground of opposition based on s.38(2)(b) and s. 12(1)(d) is reproduced hereafter:

1.h. The trademark applied for is not registrable in view of Sections 38(2)(b) and 12(1)(d) of the *Trade-marks Act* because it is confusing with a registered trademark, namely Canadian Trademark Registration No. 659,396 for the trademark SCENIC HOLIDAYS which is owned by the Opponent in association with “Travel agency services, including wholesale, retail, reservation, ticketing, car renting, transportation, accomodation [sic] and entertainment reservation services, cruises, arranging and organizing tours and arranging the transport of passengers and goods by road, rail, sea and air.”

[20] The material date that applies to this ground of opposition is 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.)].

[21] As the Opponent’s initial burden with respect to this ground has been satisfied because registration No. TMA659,396 is in good standing, the Applicant has the legal onus of establishing, on a balance of probabilities, that there would be no reasonable likelihood of confusion, within the meaning of s. 6(2) of the *Act*, between the Mark and the Opponent's mark. The presence of an onus on the Applicant means that if a

determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the Applicant [*John Labatt Ltd. v. Molson Cos.* (1990), 30 C.P.R. (3d) 293(F.C.T.D.)].

the test for confusion

[22] 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. 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.

[23] The Supreme Court of Canada has discussed the appropriate process for assessing all the surrounding circumstances to be considered in determining whether two trade-marks are confusing in its decision in *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321. It is with these general principles in mind that I shall now assess all of the surrounding circumstances.

s. 6(5)(a) - inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known

[24] Neither of the parties' trade-marks is inherently strong as each suggests that the services relate to holidays which are scenic. The additional wording in the Mark does not increase its distinctiveness, as the word "ROYAL" is considered a laudatory term. This is supported by the Applicant's press release of May 2001 wherein it states that use of the term ROYAL is to reflect the desire to provide "*nothing but the ROYAL treatment-*

exceptional tour value and the highest level of customer service” [Exhibit N-1 of the first Leung affidavit].

[25] Although the marks at issue are not inherently distinctive, the strength of the trade-marks may be increased by means of them becoming known through promotion or use.

[26] The Applicant claims a date of first use since June 2001 in association with its educational courses. There is however no evidence of record supporting use of the Mark in association with these services. Consequently, the Mark has not become known in Canada.

[27] Mr. Elton Leung, the Opponent’s affiant, identifies himself as the beneficial owner of the Opponent. Mr. Leung attests that the Opponent has had significant revenue from sales of its services and provides the gross sales revenue for each year from 1998 to 2003. I note in 1998 this figure was \$348,982 but increased dramatically in 1999 to just over \$9 million, and increased to a maximum of \$20 million in 2002. In terms of advertising and promotion I note in 1998 the Opponent’s expenditures were \$466, but have generally averaged \$4,000 to \$5,000 each subsequent year until 2003. I find noteworthy paragraph 15 and Exhibits J to N appended to Mr. Leung’s second affidavit, which are samples of brochures created and distributed by the Opponent displaying its trade-mark.

[28] Based on the foregoing information I conclude that the Opponent’s trade-mark has become known to a certain extent in Canada.

s. 6(5)(b) - the length of time each trade-mark has been in use

[29] The length of time that each mark has been in use favours the Opponent.

s. 6(5)(c) and (d) - the nature of the wares, services or business; the nature of the trade

[30] When considering the wares, services and trades of the parties, it is the statement of wares or services in the parties' trade-mark application and registration that govern in respect of the issue of confusion arising under s. 12(1)(d) [*Henkel Kommanditgesellschaft auf Aktien v. Super Dragon Import Export Inc.* (1986), 12 C.P.R. (3d) 110 (F.C.A.); *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe Inc. v. Bohna* (1994), 58 C.P.R. (3d) 381 (F.C.A.)].

[31] The Opponent's registration covers travel agency services, whereas the Applicant's application covers educational courses. These services can be said to be dissimilar, however, I am of the view that the parties' channels of trade could potentially overlap because the Applicant's educational courses are specifically aimed for those in the travel industry. Furthermore, the Opponent's evidence establishes that many of its services encompass travel tours to Asian destinations, which clearly overlaps with the subject matter of the Applicant's educational courses.

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

[32] In terms of the degree of resemblance between the marks in appearance, sound and ideas suggested, I find that there is some visual and phonetic resemblance given that the Applicant has appropriated the entirety of the Opponent's mark. The only difference is the prefix ROYAL. In this respect the ideas suggested remain similar as the laudatory term ROYAL would simply convey the idea of an upgraded version of the Opponent's trade-mark SCENIC HOLIDAYS.

conclusion re likelihood of confusion

[33] When applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. I have also had regard to all the surrounding circumstances including those enumerated in s. 6(5) of the Act. The basic issue to be decided is whether a consumer who has a general and not precise recollection of the Opponent's trade-mark will, upon seeing the Applicant's Mark be likely to think that the

parties' services originate from a common source. As stated in *Beverly Bedding & Upholstry Co. v. Regal Bedding & Upholstry Ltd.* (1980), 47 C.P.R. (2d) 145, (Fed. T.D.), affirmed (1982), 60 C.P.R. (2d) 70 (Fed. C.A.) "Realistically appraise it is the degree of resemblance between trade-marks in appearance, sound and ideas suggested by them that is the most crucial factor, in most instances, and is the dominant factor and other factors play a subservient role in the overall surrounding circumstances."

[34] In view of the foregoing, I find that on a balance of probabilities there is a reasonable likelihood of confusion between the marks at issue, particularly in view the resemblance between the marks, and the fact that the services could be marketed to the same consumers.

[35] Accordingly, the s. 12(1)(d) ground is successful.

[36] I wish to add, that had I considered this ground of opposition in view of the Applicant's travel agency services [services 1], I am of the opinion that the Opponent's case would have been even stronger as the services and trade channels in this respect are identical. Both the extent to which the Mark has become known and used by the Applicant with respect to travel agency services, would not have changed my final conclusion, particularly in light of the evidence of actual instances of confusion with respect to the parties' travel agency services, which would have further supported a finding of confusion.

Ground of opposition based on s. 38(2)(c) and 16(1)(a)

[37] Given my findings with respect to the s. 30(b) ground, I shall only assess this ground of opposition in respect of services (2) namely, *educational courses for those in the travel industry, the educational courses being about Asia and arranging trips for others to Asia*, claimed to be used by the Applicant in Canada since June 2001.

[38] The Opponent has pleaded that the Applicant is not the person entitled to registration pursuant to s. 16(1)(a) on the basis that the Mark is confusing with the mark SCENIC HOLIDAYS previously used in Canada by the Opponent in association with travel agency services.

[39] With respect to this ground of opposition, there is an initial burden on the Opponent to evidence use of its trade-mark prior to the Applicant's claimed date of first use, namely June 2001, and non-abandonment of its mark as of the date of advertisement of the Applicant's application [s. 16]. Mr. Leung's evidence satisfies the Opponent's initial burden.

[40] The Opponent having met its evidentiary burden regarding this ground of opposition, the Applicant bears the legal onus of establishing, on a balance of probabilities, that there would be no reasonable likelihood of confusion, within the meaning of s. 6(2) of the *Act*, between the Mark and the Opponent's mark. The presence of an onus on the Applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the Applicant [*John Labatt Ltd. v. Molson Cos.* (1990), 30 C.P.R. (3d) 293(F.C.T.D.)].

[41] My conclusions in respect of the s.12(1)(d) ground of opposition are for the most part applicable regarding this ground of opposition, consequently I find that the Applicant has not met its legal burden, with the result that this ground is successful.

[42] Having already found the Opponent partially successful on one ground and successful on two others, it is therefore unnecessary to consider the remaining grounds.

Disposition

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

Lynne Pelletier
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

