

**IN THE MATTER OF AN OPPOSITION
by Perks Coffee Limited to application No.
1,058,640 for the trade-mark STANLEY
PERKS AT BAYSHORE filed by Blue Tree
Hotels Investment (Canada), Ltd. (now in
the name of Blue Tree Hotels LP)**

On May 11, 2000, Blue Tree Hotels Investment (Canada), Ltd. filed an application to register the trade-mark STANLEY PERKS AT BAYSHORE (the “Mark”), which was assigned serial number 1,058,640. This application has since been assigned to Blue Tree Hotels LP. Blue Tree Hotels Investment (Canada), Ltd. and Blue Tree Hotels LP will hereinafter be referred to collectively as the “Applicant”.

Application No. 1,058,640 is based upon proposed use of the Mark in Canada in association with the following wares and services:

Wares:

(1) Food products namely, salad dressings; marinades; chutneys; focaccia dips.

Services:

(1) Operation of a bar, café and restaurant for the sale of food and alcoholic and non-alcoholic beverages; and the provision of catering services.

The application was advertised for opposition purposes in the Trade-marks Journal of December 19, 2001. On May 16, 2002, Perks Coffee Limited (the “Opponent”) filed a statement of opposition against the application. The Applicant filed and served a counter statement.

As rule 41 evidence, the Opponent filed the affidavit of Mark Cullen, the Opponent’s President, and certified copies of Canadian trade-mark registrations Nos. 367,764 and 464,085. Mr. Cullen was cross-examined on his affidavit and the record includes a copy of the transcript, together with exhibits and answers given to undertakings.

As rule 42 evidence, the Applicant filed the affidavits of John L. Rogers, Bruce Malcolm MacMillan, Ida Crisostomo and Thomasina Carroll.

As rule 43 evidence, the Opponent filed two documents entitled “Certificate of Non-registration” that appear to be an electronic form of certificate authorized by the Director of Companies and Personal Property Security Branch of the Province of Ontario. I find that such evidence is not of record since it does not comply with rule 42 of the *Trade-marks Regulations (1996)*. Evidence in opposition proceedings must be in the form of either an affidavit or statutory declaration or a certified copy of a record kept by the Registrar of Trade-marks. [See s. 54 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the “Act”)]

Each party filed a written argument but only the Applicant participated in an oral hearing.

Grounds of Opposition

The grounds of opposition may be summarized as follows:

1. the application does not comply with the requirements of s. 30(i) of the Act in that the applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the applied for wares and services given the prior use and making known of
 - a) the trade-marks PERKS and PERKS Design registered by the Opponent under Nos. 464,085 and 367,764;
 - b) the Opponent’s unregistered trade-mark PERKS Design (#2);
 - c) the Opponent’s trade-names “Perks”, “Perks Coffee” and “Perks Coffee Limited”all of which had previously been used in association with coffee and coffee beans, donuts, muffins, croissants, danishes, gourmet cakes and cheesecakes, shirts, hats and mugs, and the operation of an outlet dealing in the retail and wholesale sale of baked goods and coffee; and restaurant and catering services (the “Opponent’s Wares and Services”). The Applicant was or should have been aware of the Opponent’s trade-marks and trade-names.
2. the Mark is not registrable pursuant to s. 12(1)(d) of the Act because it is confusing with one or a combination of the Opponent’s registered trade-marks.
3. the Applicant is not the person entitled to registration of the Mark pursuant to s. 16(3)(a) of the Act because, as of the date of filing of the application and at all other times, the Mark was confusing with one or more of the Opponent’s trade-marks, which had been previously used and made known in Canada by the Opponent in association with the Opponent’s Wares and Services.
4. the Applicant is not the person entitled to registration of the Mark pursuant to s. 16(3)(c) of the Act because, as of the date of filing of the application and at all other times, the Mark was confusing with one or more of the Opponent’s trade-names, which had been previously used and made known in Canada by the Opponent in association with the Opponent’s Wares and Services.

5. the Mark is not distinctive within the meaning of s. 2 of the Act because it does not actually distinguish and is not adapted to distinguish the wares and services of the Applicant from the wares and services of others, including those of the Opponent.

Material Dates

The material date with respect to the first, third and fourth grounds of opposition is the filing date of the application. [See *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R. (3d) 469 at 475 and s. 16(3)] The material date with respect to the second 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*, 37 C.P.R. (3d) 413 (F.C.A.)] The material date with respect to the fifth ground of opposition is the date of filing of the opposition. [See *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.) at 324]

Onus

The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. There is however an initial burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist. [See *John Labatt Limited v. The Molson Companies Limited*, 30 C.P.R. (3d) 293 at 298; *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)] In addition, s. 16(5) and 17(1) of the Act place a burden on the Opponent to establish non-abandonment of its marks and names as of the date of advertisement of the Applicant's application.

The first ground of opposition fails because the Opponent has not met its initial evidential burden to show that the Applicant had knowledge of the Opponent's alleged prior rights when it filed its application. In any event, where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant. [*Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]

The second ground of opposition fails to the extent that it relies upon registration No. 367,764. This is because that registration was expunged on November 9, 2005, making it impossible for the

Opponent to satisfy its initial onus to show that such registration is in good standing as of today's date.

Likelihood of Confusion

Each of the surviving grounds of opposition turns on the issue of the likelihood of confusion.

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. Section 6(3) sets out a similar test for determining if there is a likelihood of confusion between a trade-mark and a trade-name. In applying the tests for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act. Those factors specifically set out in s. 6(5) are: the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; and the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

In *Polo Ralph Lauren Corp. v. United States Polo Association et al.* (2000), 9 C.P.R. (4th) 51 (F.C.A.) at 58-59, Malone J.A. summarized the guidelines to be applied when assessing the likelihood of confusion as follows:

A review of some of the leading cases also establishes some practical guidelines. For example, the Court is to put itself in the position of an average person who is familiar with the earlier mark but has an imperfect recollection of it; the question is whether the ordinary consumer will, on seeing the later mark, infer as a matter of first impression that the wares with which the second mark is used are in some way associated with the wares of the earlier. With respect to the degree of resemblance in appearance, sound or ideas under subparagraph 6(5)(e), the trade-marks at issue must be considered in their totality. As well, since it is the combination of elements that constitutes a trade-mark and gives distinctiveness to it, it is not correct to lay the trade-marks side by side and compare and observe similarities or differences among the elements or components of the marks when applying the test for confusion. In addition, trade-marks must not be considered in isolation but in association with the wares or services with which they are used. When dealing with famous or

well-known marks, it may be more difficult to demonstrate that there is no likelihood of confusion, especially if the nature of the wares are similar. Lastly, the enumerated factors in subsection 6(5) need not be attributed equal weight. Each particular case of confusion might justify greater emphasis being given to one criterion than to others.

I will assess the likelihood of confusion between the Applicant's Mark and the Opponent's trade-mark PERKS, as that represents the Opponent's strongest case.

Although the word "perks" has more than one meaning, to the extent that the parties' wares and services relate to coffee, the most dominant meaning would be "to percolate coffee". Accordingly, the Opponent's PERKS mark is not inherently strong. The Opponent has however demonstrated that its PERKS trade-mark has become known to a fair extent. In particular, the PERKS mark has been used in Nova Scotia continuously since at least 1988 in association with coffee, baked goods, and the operation of an outlet dealing in the retail sale of baked goods and restaurant services. Moreover, sales and earnings associated with such wares and services amounted to approximately \$15.5 million prior to 2000, with sales and earnings in each of the years 2000 through 2003 amounting to between \$2.5 and \$3.3 million.

I find that the Applicant's Mark is inherently more distinctive than is the Opponent's mark. Although the Opponent has submitted that the words that the Applicant has combined with the suggestive word PERKS may themselves be suggestive of location, the Mark as a whole possesses a fair degree of inherent distinctiveness. In addition, as submitted by the Applicant, the Mark contains a "play on words", in that Stanley Park is located next to its place of operation.

I cannot assess the degree to which the Mark has become known because no evidence has been provided of the extent of sales or advertising associated with the Mark. We merely have a statement that the Mark was first used on June 1, 2000. Thus, I find that the Opponent's PERKS mark has become known to a greater extent than has the Applicant's Mark.

Section 6(5)(b) clearly favours the Opponent as it began using its PERKS mark more than ten years prior to the first use of the Applicant's Mark.

The parties' wares, services and businesses are extremely similar, if not identical. Both parties use their marks in association with coffee shops that sell coffee and assorted light food and the Opponent's trade-mark is registered for coffee and coffee beans; baked goods namely donuts, croissants, danishes; and the operation of an outlet dealing in the retail sale of baked goods and restaurant services.

It is true that the Applicant's Mark incorporates the Opponent's PERKS mark in its entirety; however, the Applicant has added significant words both before and after this common feature. These additional features, when combined with the fact that the word "perks" has a suggestive meaning, result in the Applicant's Mark as a whole not resembling the Opponent's PERKS mark to any significant degree in appearance, sound or idea suggested.

Although there is no evidence of confusion between the marks, I do not consider this surrounding circumstance to be of any import because the Opponent appears to be active only in Halifax and the Applicant only in Vancouver.

Another surrounding circumstance is the state of the register or marketplace.

State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located. In the present case, the number of relevant third party trade-mark registrations is insufficient for me to make any meaningful decisions concerning the state of the marketplace. [*Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432 (T.M.O.B.); *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D); *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)]

The state of the marketplace evidence is of limited assistance to the Applicant, with respect to all of the grounds other than the s. 12(1)(d) ground, for the following reasons. First, the majority (if not all) of this evidence postdates all the material dates other than the one relating to the s. 12(1)(d) ground of opposition. Second, there is some evidence that the Opponent has raised objections to

some of the third party users. Third, there is little evidence of actual use of the third party marks/names and certainly no evidence of the extent of their use.

Having considered all of the surrounding circumstances, I conclude that the Applicant has satisfied the burden on it to show that there is not a reasonable likelihood of confusion between STANLEY PERKS AT BAYSHORE and the Opponent's PERKS mark as of any of the material dates. As stated in *Beverley Bedding & Upholstery Co. v. Regal Bedding & Upholstery Ltd.* (1980), 47 C.P.R. (2d) 145 (F.C.T.D.) at 149, affirmed 60 C.P.R. (2d) 70, "Realistically appraised it is the degree of resemblance between trade marks in appearance, sound or in 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 over-all surrounding circumstances."

For reasons similar to those already discussed, the Applicant's Mark is also not likely to cause confusion with the Opponent's other trade-marks or the Opponent's trade-names as of any of the material dates.

Disposition

Having been delegated by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I reject the opposition pursuant to s. 38(8).

DATED AT TORONTO, ONTARIO, THIS 5th DAY OF JUNE 2006.

Jill W. Bradbury
Member
Trade-marks Opposition Board