

**IN THE MATTER OF AN OPPOSITION by Libra Trading Co. Ltd. to application No. 784,549 for the trade-mark “THE RICE PEOPLE” filed by Western Rice Mills Ltd.**

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On June 7, 1995, the applicant, Western Rice Mills Ltd., filed an application to register the trade-mark “THE RICE PEOPLE” based on use of the trade-mark in Canada since at least October 1990 in association with services identified as: “operation of a business distributing rice to others”. The application was also based upon proposed use of the trade-mark in association with “rice”; however, the applicant deleted these wares from the present application at the examination stage. Further, the applicant disclaimed the right to the exclusive use of the word RICE apart from its trade-mark.

The present application was advertised for opposition purposes in the *Trade-marks Journal* of November 15, 1995 and the opponent, Libra Trading Co. Ltd., filed a statement of opposition on December 11, 1995, a copy of which was forwarded to the applicant on January 10, 1996. The applicant served and filed a counter statement on January 22, 1996. The opponent filed as its evidence the affidavits of Enid Leung and Eva Lu Ping Sun while the applicant elected not to file any evidence. Both parties filed a written argument and both were represented at an oral hearing.

The first two grounds of opposition are based on Subsections 30(a) and 30(b) of the *Trade-marks Act*. While the legal burden is upon 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 upon by it in support of its Section 30 grounds [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]. The material time for considering the circumstances respecting the issues of non-compliance with Section 30 of the *Act* is the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R.(3d) 469, at p. 475].

The first ground is based on Subsection 30(a) of the *Trade-marks Act*, the opponent alleging that the applicant has inaccurately described its wares and services as the services of operating “a business distributing rice to others” when, in fact, the applicant does not provide distribution services to anyone, but rather distributed its own products for its own account. With respect to the test to be applied under Subsection 30(a) of the *Act*, the former Registrar of Trade-marks stated in *Dubiner and National Yo-Yo and Bo-Lo Ltd. v. Heede Int'l Ltd.*, 23 C.P.R. (2d) 128 that an applicant in its application “must clearly set forth wares or services as they are **customarily referred to in the trade** (emphasis added).” Further, in *McDonald's Corporation and McDonald's Restaurants of Canada Ltd. v. M. A. Comacho-Saldana International Trading Ltd. carrying on business as Macs International*, 1 C.P.R. (3d) 101, at p. 104, the Hearing Officer concluded that it was only necessary for the opponents to present sufficient argument in order to meet their initial burden in respect of a Subsection 30(a) ground.

While a statement of services may be more difficult to define in terms of the specific services involved as contrasted to a statement of wares, Subsection 30(a) of the *Trade-marks Act* does require a measure of specificity in respect of the services covered in a trade-mark application where it is reasonable to expect that a specific statement of services in ordinary commercial terms can be

provided by an applicant [see *Sentinal Aluminium Products Co. Ltd. v. Sentinel Pacific Equities Ltd.*, 80 C.P.R. (2d) 201]. Thus, in *Stanhope Inc. v. Les Encheres Stanley Inc.*, 82 C.P.R. (2d) 20, it was found that the applicant's statement of services of “operating a business specializing in the retail sale of classes of household and commercial wares” sufficiently defines the nature of the services being rendered without the necessity of the applicant delimiting the products being sold either in specific terms or by way of general categories. Likewise, in *S.C. Johnson & Son, Inc. and S.C. Johnson and Son, Limited v. Peerless Carpet Corporation/ La Corporation des Tapis Peerless, and presently standing in the name of Future Step Technologies Inc./ Les Technologies Future Step Inc.*, 79 C.P.R. (3d) 558, it was concluded that the “Operation of a business dealing in the manufacture, marketing, distribution and sale of floor coverings, carpets, adhesives and carpet installation systems” by itself sufficiently defines the nature of the services being rendered without the necessity of the applicant delimiting the “floor covering” in specific terms. Also, in *Pro Image Sportswear, Inc. v. Pro Image, Inc.*, 42 C.P.R.(3d) 566, it was concluded that the applicant is not required to identify in its application the nature of the “sporting goods” associated with its services in order to meet the requirements of Subsection 30(a) of the *Trade-marks Act*. On the other hand, in *Everything for a Dollar Store (Canada) Inc. v. Dollar Plus Bargain Centre Ltd.*, (application No. 709,585, decision dated May 5, 1998, yet unreported), it was found that the applicant’s services which were described as “operating discount sales outlets for merchandise” were unduly broad in that they failed to limit the merchandise sold through the applicant’s discount sales outlets to any extent and were therefore contrary to Subsection 30(a) of the *Act*.

In the present case, the applicant’s services are defined as the “operation of a business

distributing rice to others”. In my view, the applicant’s statement of services sufficiently defines the nature of the services being rendered by the applicant in that it specifically identifies the product associated with those services as being “rice”. The opponent has argued that the applicant does not provide distribution services to anyone, but rather distributes its own products for its own account. However, the opponent’s evidence does not establish that the applicant only distributes its own rice and not rice obtained from third parties and bearing third party trade-marks. Indeed, Exhibit A to the Leung affidavit appears to indicate that the applicant in fact distributes rice obtained from third parties and bearing third party trade-marks. Further, were the applicant distributing rice in packaging bearing either its trade-mark or no trade-mark, such activities would constitute the provision of the services covered in the present application. In this regard, the applicant would still be operating a business involving the purchase of various types of rice from various sources and would be making the rice available to its clients in Canada in varied quantities and, in certain instances, may be delivering it to their premises. In my view, such activities fall within the scope of the services covered in this application. I have therefore rejected the first ground.

As its second ground, the opponent alleged that the present application does not comply with Subsection 30(b) of the *Trade-marks Act* in view of the following:

- (i) The applicant has not used the opposed trade-mark as use is defined in Subsection 4(2) of the *Act* because the applicant has not used the opposed mark in Canada for the purposes of distinguishing or so as to distinguish services performed by the applicant from those performed by others, but rather any utilization of the opposed mark that the applicant has made in Canada has been for the purpose of describing itself and its business, and the opposed mark has not been used or displayed by the applicant in the performance or advertising of the services listed in the application;
- (ii) As utilized by the applicant, the opposed mark is not a “trade-mark” as defined in Section 2 of the *Act* because any use that the applicant has made of the opposed

mark has not been made for the purpose of distinguishing or so as to distinguish services performed by the applicant from those performed by others, but rather for the purpose of describing itself and its business;

(iii) If the applicant had used the opposed mark in Canada as a trade-mark within the meaning of “use” and “trade-mark” established by the *Act*, which is denied, then the application does not accurately state the date from which the applicant has used the opposed mark in association with the general class of services described in the application in that the applicant did not commence carrying on the activities identified as a service in the application until after October 1990.

As noted above, there is an initial evidential burden on the opponent to establish the facts relied upon by it in support of its Subsection 30(b) ground. It is necessary therefore to consider the Leung and Sun affidavits in order to determine whether the opponent has met its evidential burden. In her affidavit, Enid Leung, an employee of the opponent, states that on November 28, 1995, she attended at the applicant’s place of business in Vancouver, British Columbia, which appeared to be mainly an office for the wholesale sale of rice, although consumers were also welcome to directly purchase rice. Further, according to Ms. Leung, the applicant’s actual warehouse was not visible to or accessible by the general public and, in paragraph 3 of her affidavit, she states as follows:

In her affidavit, Eva Lu Ping Sun, a founder, director and officer of the opponent, states that she has had direct involvement in all the wholesale and retail operations of the opponent since

approximately 1981 to the time of her affidavit [[August 22, 1996] and that she is very familiar with the applicant since the applicant carries on business in the same area of British Columbia as the opponent and is one of the opponent's major competitors in respect of the wholesale sale of rice. According to the affiant, the applicant has never used the words THE RICE PEOPLE in any context whereby customers would associate this phrase with the applicant's distribution services in that the applicant has not used or displayed the words THE RICE PEOPLE in any advertisements, at its place of business, on its business cards or invoices, on its stationary, or in any other context in the course of taking orders for, selling, or delivering rice. In paragraphs 19 to 21 of her affidavit, Ms. Sun states as follows:

The above evidence, which has not been challenged by the applicant, establishes that the

applicant's only "use" of its marks is on the front of two of its delivery trucks. The issue arises as to whether such "use" constitutes use of the mark "THE RICE PEOPLE" as a trade-mark within the scope of Subsection 4(2) of the *Trade-marks Act*. Subsection 4(2) of the *Act* provides as follows:

(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

In my view, the placing of the applicant's mark on the front of the delivery trucks certainly does not constitute a use or a display of the mark in the advertising of the applicant's services as no reference to the services covered in the present application is made on the truck. Furthermore, considering Ms. Sun's qualifications and experience in the marketing and sale of rice, I have accepted her opinion evidence as an expert that the applicant's mark would not normally be brought to the attention of the applicant's customers or competitors during the performance of the applicant's services unless they were looking for the mark. In this regard, I would note that the applicant neither cross-examined Ms. Sun on her affidavit nor did it submit any evidence to contradict Ms. Sun's evidence. As a result of Ms. Sun's expert opinion evidence, I find that the applicant's mark is likewise not being used or displayed in the performance of the applicant's services even though the trucks might well be involved in the delivery of rice to its clients. I have concluded therefore that the opponent has met the evidential burden upon it in respect of its second ground of opposition. Furthermore, since no evidence has been adduced by the applicant, the applicant has failed to meet the legal burden upon it in respect of the Subsection 30(b) ground. Thus, this ground of opposition is successful.

The third ground is that the applicant is not the person entitled to registration in view of the preamble of Subsection 16(1) of the *Trade-marks Act* since the present application does not comply



with Section 30 of the *Act* for the reasons set forth in the first two grounds of opposition and, further, the applicant's trade-mark is not registrable for the reasons identified in the fourth ground. As the Subsection 30(b) ground of opposition is successful, the applicant's application is contrary to Subsection 16(1) of the *Trade-marks Act* and this ground is likewise successful.

The fourth ground is that the applicant's trade-mark is not registrable in view of Paragraph 12(1)(b) of the *Trade-marks Act* in that the applicant's mark is clearly descriptive of the character or quality of the services in association with which it is claimed to be used or of the persons employed to carry out such services. Paragraph 12(1)(b) of the *Act* provides as follows:

- 12.** (1) Subject to section 13, a trade-mark is registrable if it is not  
(b) whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;

The issue as to whether the trade-mark "THE RICE PEOPLE" is clearly descriptive of the character or quality of the applicant's services or of the persons employed to carry out such services must be considered from the point of view of the average user of those services. Further, in determining whether the trade-mark "THE RICE PEOPLE" is clearly descriptive, the trade-mark must not be dissected into its component elements and carefully analysed, but rather must be considered in its entirety as a matter of immediate impression [see *Wool Bureau of Canada Ltd. v. Registrar of Trade Marks*, 40 C.P.R. (2d) 25, at pp. 27-28 and *Atlantic Promotions Inc. v. Registrar of Trade Marks*, 2 C.P.R. (3d) 183, at p. 186]. Additionally, the material date for considering a ground of opposition based on Paragraph 12(1)(b) of the *Trade-marks Act* is the date of decision [see *Lubrication Engineers, Inc. v. The Canadian Council of Professional Engineers*, 41 C.P.R. (3d)

243 (F.C.A.)].

While the legal burden is upon the applicant to show that its trade-mark is registrable, there is an initial evidential burden upon the opponent in respect of this ground to adduce sufficient evidence which, if believed, would support the truth of its allegations that the trade-mark “THE RICE PEOPLE” is clearly descriptive of the character or quality of the applicant's services. It is therefore necessary to consider the opponent’s evidence in order to determine whether it has met its initial evidential burden. However, the opponent’s evidence does not address this ground of opposition. Further, in its counter statement, the applicant identified the following registered trade-marks:

<u><i>Trade-mark</i></u>	<u><i>Registration No.</i></u>	<u><i>Wares/Services</i></u>
THE MEAT PEOPLE	442,563	Operating supermarkets.
THE POPCORN PEOPLE	314,161	Popcorn
THE PAGER PEOPLE	269,378	Paging equipment
RAISIN PEOPLE	325,421	Dried fruit
THE GAME PEOPLE	243,801	Wholesale and retail services in the sale of indoor games for adults and children, namely pool, games tables, board games and puzzles, table games, ...

As a result, while the trade-mark “THE RICE PEOPLE” is suggestive of the persons employed to carry out the applicant’s services, it is not clearly descriptive of either the character or quality of the services in association with which it is claimed to be used or of the persons employed to carry out such services. I have therefore dismissed this ground of opposition.

The final ground is that the applicant's trade-mark "THE RICE PEOPLE" is not distinctive because it is not adapted to distinguish the applicant's services since the applicant's mark merely describes the applicant as someone who sells rice and has been utilized by the applicant only in that manner. As well, the opponent alleged that the trade-mark "THE RICE PEOPLE" does not actually distinguish any services of the applicant since it has not been used by the applicant in association with any services "and has not generated any distinctiveness". Further, the opponent asserted that the words THE RICE PEOPLE are, in fact, distinctive of the opponent as a consequence of the opponent having used the trade-mark LIBRA THE RICE PEOPLE since at least as early as April 20, 1995 in association with rice and the distribution of food products to others.

The material time for considering the circumstances regarding the issue of distinctiveness is the date of the opposition, that is, December 11, 1995 [see *Re Andres Wines Ltd. and E.&J. Gallo Winery*, 25 C.P.R. (2d) 126 (F.C.A.), at p.130; *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.*, 37 C.P.R.(3d) 412 (F.C.A.), at p. 424; and *Molson Breweries, a Partnership v. Labatt Brewing Company Limited*, 82 C.P.R. (3d) 1, at p. 15)]. Furthermore, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its services from those of others throughout Canada [see *Muffin Houses, Inc. v. Muffin House Bakery Ltd.*, 4 C.P.R.(3d) 272 ]. There is, however, an evidential burden on the opponent to prove the allegations of fact in support of its ground of non-distinctiveness [see *Clarco Communications Ltd. v. Sassy Publishers Inc.*, 54 C.P.R.(3d) 418, at p. 431 (F.C.T.D.)]. In *Humpty Dumpty Foods Limited v. George Weston Ltd.*, 24 C.P.R. (3d) 454, the learned trial judge concluded that allegations of confusion between an applicant's trade-mark and an opponent's trade-mark do not relate to the issue

of distinctiveness but rather to the applicant's entitlement to registration. However, I consider this aspect of the *Humpty Dumpty* decision to be clearly incorrect [see *Castle & Cooke, Inc. v. Popsicle Industries Inc.*, 30 C.P.R. (3d) 158, at p.161].

The Sun affidavit attests to the opponent's use of the trade-mark LIBRA THE RICE PEOPLE & Design in association with rice and the operation of a business relating to the distribution of food products to others since April of 1995, as well as use of the phrase THE RICE PEOPLE from March until September of 1995 [see, for example, the February/March edition of *Western Grocer Magazine*, Exhibit L to the Sun affidavit]. According to Ms. Sun, from April to December 31, 1995, the opponent sold in excess of 487,000 pounds of rice in association with the opponent's trade-marks corresponding to gross revenues in excess of \$156,000. Further, annexed to the Sun affidavit are numerous exhibits showing the manner of use by the opponent of its trade-mark LIBRA THE RICE PEOPLE & Design as applied to opponent's rice and its services.

Not only does the opponent's use of its trade-mark predate the date of opposition, the opponent commenced using its trade-mark LIBRA THE RICE PEOPLE & Design in association with its wares and services and its phrase THE RICE PEOPLE prior to the applicant's filing date of June 7, 1995. There is therefore no issue as to the *bona fides* of the activities of the opponent in the circumstances of this case. Having regard to the opponent's use of its trade-mark which includes the entirety of the applicant's trade-mark as a dominant element thereof, as well as use by the opponent of the phrase THE RICE PEOPLE which is essentially the same as the applicant's mark, I am satisfied that the opponent has met its evidential burden in relation to the final ground. Accordingly,

the legal burden is upon the applicant to satisfy the Registrar that its trade-mark “THE RICE PEOPLE” is distinctive. Clearly, the applicant has failed to meet the legal burden upon it in that it failed to submit any evidence in support of its application. Thus, this ground of opposition is also successful.

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 31st DAY OF DECEMBER, 1998.

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