

IN THE MATTER OF AN OPPOSITION
by Indigo Books & Music Inc.
to application No. 1029715 for the trade-mark
GREAT COFFEE IS JUST THE BEGINNING filed
by Williams Coffee Pub Incorporated

On September 22, 1999, the applicant, Williams Coffee Pub Incorporated, filed an application to register the trade-mark GREAT COFFEE IS JUST THE BEGINNING based on use of the mark in Canada since at least as early as July 14, 1999, in association with the following wares:

Coffee, cups, mugs, thermal mugs, coffee grinders for commercial and domestic use, coffee makers for commercial and domestic use, golf shirts, caps (baseball and golf), pens and pins (ornamental lapel).

and the following services:

Operation of a business dealing in food and restaurant services.

The applicant disclaimed the right to the exclusive use of the words GREAT and COFFEE apart from the trade-mark as a whole. The application was advertised for opposition purposes on May 9, 2001.

The opponent, Indigo Books & Music Inc., filed a statement of opposition on October 9, 2001, a copy of which was forwarded to the applicant on October 23, 2001. The applicant served and filed a counter statement on November 23, 2001.

The opponent is the owner of registration no. TMA457,414 for the trade-mark GREAT BOOKS ARE JUST THE BEGINNING. The wares and services covered by that registration are as follows:

Wares:

Books, paperbacks, hardcovers, dictionaries, series of books, catalogues, magazines, newsletters, city and road maps, tourist guides, bookmarks, greeting cards, posters, copies of pictures; board games for adults and children, creative games, educational toys and games, mechanical toys and games, wooden toys and games, plastic toys and games, plush toys, fluffy toys, models, jigsaws, travel games, computer games, ceramic novelties namely figurines and jars, keepsake boxes, paper novelties namely paper hats and costumes; plastic novelties namely artificial flowers; ribbons, giftwrap, tags, photograph frames and film, Christmas products namely wrap, decorations, lights, crackers, calendars, artificial trees and ornaments, stationery namely writing paper, envelopes, notelets, correspondence cards, airmail paper, airmail envelopes, aerograms, Christmas, birthday and other greeting cards, social invitations, gift sets of any of these products; commercial stationery namely writing pads, envelopes, typing paper, carbon paper, copying paper, computer paper, office books, account books, duplicate books, filing products, namely, lever arch files, dividends, ring binders, filing trays, brown paper, string, ribbon, elastic bands, paper clips, drawing pins, staplers, punches, scissors, personal computers, word processors, computer software and other electronic media namely CD-ROMS, computer accessories namely, discs, papers, ribbons, diaries, address books, date books, personalised stationery, artist's and children's artist's materials, namely, papers, paints, (water colour and oil), brushes, portfolio cases; personal organisers, namely, binders including diaries and personal information pages, photograph albums, visitors books; school stationery, namely, pencils, rubbers, geometry instruments, rulers, pencils, cases, ruled pads, graph paper, pens, felt pens and refills; typewriters; calculators; electronic reference products, namely, translators, diaries, address storers, audio and video recordings by others; storage units for videos, compact discs, records, cassettes, carrying cases, cleaning products for audio and visual machines, namely, head cleaners, screen cleaners, plastic record sleeves, styluses, labels and cards, headphones, mugs, glasses, cups, napkins, placemats, totebags, knapsacks, bags.

Services:

Operation of a retail book, periodical, and stationary store; the operation of an office supply store; the operation of a card and gift store; the operation of a restaurant and cafe; the operation of a store selling computer products, software and other electronic media, including CD-ROMs.

The opponent filed as its evidence the affidavit of Kathleen Flynn. Ms. Flynn was cross-examined, and her cross-examination transcript, as well as replies to undertakings, form part of the record in this proceeding. The applicant filed the affidavit of William Giannakopoulos. Only the applicant filed a written argument and an oral hearing was not conducted.

The opponent has pleaded the following grounds of opposition:

1) the mark is not registrable because it is confusing with the opponent's trade-mark GREAT BOOKS ARE JUST THE BEGINNING, registered under No. 457,414;

2) the applicant is not the person entitled to registration of the trade-mark because at the date of first use claimed in the application and at all other times, the trade-mark was and is confusing with the trade-mark GREAT BOOKS ARE JUST THE BEGINNING which had been previously used and made known in Canada in association with the wares and services set out in the above-noted registration;

3) the trade-mark is not distinctive of the wares and services of the applicant, nor does it actually distinguish the wares and services of the applicant from the wares and services of the opponent referred to above in association with which the trade-mark GREAT BOOKS ARE JUST THE BEGINNING has been used; and

4) the application does not comply with s.30(i) of the Trade-marks Act, R.S.C. 1985, c. T-13, in that the applicant could not have been satisfied that it was entitled to use the trade-mark in view of the opponent's use and registration of the trade-mark GREAT BOOKS ARE JUST THE BEGINNING.

Each of these grounds of opposition is based on the likelihood of confusion between the trade-mark GREAT COFFEE IS JUST THE BEGINNING and the trade-mark GREAT BOOKS ARE JUST THE BEGINNING. The material dates with respect to each ground of opposition are as follows: s.12(1)(d) - the date of my decision (*Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 412 at 424 (F.C.A.) ("*Park Avenue*"); s.16(1)(a) - the applicant's date of first use; non-distinctiveness - the date of filing of the opposition (see *Re Andres Wines Ltd. and E. & J. Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.); and *Park Avenue, supra*); and s.30(i) - the filing date of the application.

The test for confusion is one of first impression and imperfect recollection. In applying the test for confusion set forth in s. 6(2) of the Act, 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 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 in appearance or sound or in the ideas suggested by them. The weight to be given to each relevant factor may vary, depending on the circumstances (see *Clorox Co. v. Sears Canada Inc.* 41 C.P.R. (3d) 483 (F.C.T.D.); *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R. (3d) 308 (F.C.T.D.)).

There is a legal burden on the applicant to establish that there would be no reasonable likelihood of confusion between the marks in issue. This means that if a determinate conclusion cannot be reached, the issue must be decided against the applicant (see *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.)).

Inherent Distinctiveness

Both marks are inherently weak, each being comprised of a descriptive phrase in praise of the respective wares and/or services. The two marks being inherently weak, it is fair to say that even small differences will be sufficient to distinguish between them (see *Kellogg Canada Inc. v. Weetabix of Canada Ltd.* (2002), 20 C.P.R. (4th) 17 (F.C.T.D.); and *American Cyanamid Co. v. Record Chemical Co. Inc.* (1972), 7 C.P.R. (2d) 1 (F.C.T.D.)).

Extent to Which Marks Have Become Known

The opponent is the largest book retailer in Canada, operating book stores in all provinces except Prince Edward Island. For the fiscal year ending April 2000, there were 77 CHAPTERS superstores

across Canada with sales revenues of over \$407 million. On August 16, 2001, Chapters merged with Indigo Books & Music Inc.

As for the extent the marks have become known, Ms. Flynn states in her affidavit that the trade-mark GREAT BOOKS ARE JUST THE BEGINNING was introduced in Canada in 1995 by Chapters Inc. (“Chapters”), and at the date of her affidavit (i.e. June 21, 2002) was appearing on signage for 11 Chapters stores across Canada. The mark has also appeared on business cards for Chapters stores, invoices, envelopes, letterhead, fax cover sheets, cheques, and store bags. In addition to appearing visually, the mark has also been heard in the recorded telephone messages that are played while customers are placed on hold when calling a Chapters store. I am satisfied from this evidence that the opponent’s mark has become known to some extent in Canada.

With respect to the applicant’s mark, Mr. Giannakopoulos states that the applicant was incorporated in 1992, and at the date of his affidavit (i.e. January 23, 2003), there were 37 Williams Coffee Pub locations throughout Ontario, two of which are corporate locations and the rest of which are franchised locations. The trade-mark is found on all of the applicant’s franchise and promotional literature and paper products, and has been used by the applicant since at least as early as July 14, 1999. Various examples of how the mark has been used by the applicant are attached to Mr. Giannakopoulos’ affidavit as exhibits A-H. I am satisfied that the applicant’s mark has also acquired some reputation in Canada, although primarily in Ontario.

Length of Time the Marks Have Been in Use

This factor favours the opponent, who has used the mark GREAT BOOKS ARE JUST THE BEGINNING in Canada since 1995, while the applicant did not commence use of its mark in Canada until July 14, 1999.

Nature of the Wares, Services, Business and Trade

All book stores operated by Indigo, including the Chapters book stores, sell various gift items, in addition to books and other printed publications. These items include stationery, home decor products, and have included clothing such as t-shirts, sweatshirts and hats, writing instruments including pencils and pens, pins, picture frames and glasswares, such as mugs.

Chapters was the first retail bookstore chain in Canada to add music, gifts, and cafes to its book store locations. In 1995, the first coffee shop was opened within a Chapters bookstore, and now all Chapters book stores, with the exception of one location, have an in-house coffee shop.

Some of the coffee shops are operated by the opponent, under a license, and under the name of the coffee retailer, while others are operated independently by the coffee retailer itself. Further, despite being physically attached to or adjacent to the Chapters premises, most of the coffee shops are located in their own premises and are operated separately from the opponent's business, eg. with different hours of operation and phone numbers than Chapters, and their own separate street entrance (see Flynn answers to undertakings, qu.28, 32, 35, 38, 41 and 43).

The coffee shops do not operate under the Chapters name or use the trade-mark GREAT BOOKS ARE JUST THE BEGINNING. Almost all of the coffee shops connected to the opponent's bookstores operate under the name "Starbucks". Based on a random sampling of Chapters locations, it was discovered that none of the "Starbucks" coffee shops use either the Chapters name or the trade-mark GREAT BOOKS ARE JUST THE BEGINNING on signs, on menu boards, or on any wares sold by them (see Giannakopoulos affidavit, paras. 25, 29 and 30). The wares sold within the Starbucks coffee shops bear names or trade-marks associated with Starbucks Coffee Canada Inc., a company separate and distinct from the opponent (see Giannakopoulos affidavit, para. 26 and Flynn cross-examination, para. 12). Ms. Flynn states in her affidavit at para. 11 that Indigo has

applied to register the trade-mark INDIGO BLEND & Design for use with coffee, and a copy of such application is attached as Exhibit E to her affidavit.

The applicant's locations and franchises are not just coffee shops. Some of the locations are licensed establishments, and each location sells a wide variety of food products to patrons in well appointed dining areas, kiosks, take-out counters, and drive-thru windows through corporate and franchised catering services (see Giannakopoulos affidavit, para. 6). The trade-mark GREAT COFFEE IS JUST THE BEGINNING is part of the applicant's uniform operating system that defines the applicant's business and its franchised businesses. In all of the representative samples provided by Mr. Giannakopoulos, the trade-mark appears above, beside or below the applicant's Williams Coffee Pub name.

The question is whether the use of the applicant's trade-mark is likely to be confusing with the opponent in the sense that such use is likely to lead to the inference that the wares and services offered by the applicant emanate from the same source as the wares and services offered by the opponent. The marks are to be compared as they are used in business (see *Joseph E. Seagram & Sons Ltd. v. Seagram Real Estate Ltd.* (1990), 33 C.P.R. (3d) 454 at 468-9 (F.C.T.D.) and *McDonald's Corp. v. Coffee Hut Stores Ltd.* (1994), 55 C.P.R. (3d) 463 at 474 (F.C.T.D.)).

In the present case, GREAT COFFEE IS JUST THE BEGINNING is a trade-marked phrase that the applicant uses in association with Williams Coffee Pub, a restaurant that the applicant has shown sells much more than just coffee. The opponent's trade-mark GREAT BOOKS ARE JUST THE BEGINNING is used on signage for 11 of the opponent's 73 Chapters book stores and other products in the opponent's book stores. The coffee shops that operate on the same premises as the opponent's book stores are run independently, and the opponent's trade-mark does not appear on any products in these coffee shops.

Therefore, although there is some overlap between the applied for wares and services and the opponent's "operation of a restaurant and café" services, this fact is not sufficient, in and of itself, to establish a likelihood of confusion. The evidence reveals that the café services are offered under a different mark (i.e. STARBUCKS) by a different entity (i.e. the coffee retailer Starbucks).

This factor therefore favours the applicant.

Degree of Resemblance

There is a fair degree of resemblance between the marks both visually and when sounded. The idea suggested by each mark differs as a result of the word COFFEE appearing in the applicant's mark compared to the word BOOKS appearing in the opponent's mark.

State of the Register Evidence

Another surrounding circumstance to be considered is Mr. Giannakopoulos' statement in his affidavit that there are a number of registered trade-marks similar to the applicant's trade-mark including:

- a) QUALITY IS JUST THE BEGINNING, Registration No. 1072178;
- b) SAVINGS ARE JUST THE BEGINNING, Registration No. 0718174;
- c) WHERE LOW PRICES ARE JUST THE BEGINNING, Registration No. 0731946; and
- d) WHERE PRINTING IS JUST THE BEGINNING, Registration No. 083104.

I am not prepared to give this evidence much weight for twomain reasons. The evidence is hearsay as Mr. Giannakopoulos did not perform the search of the Trade-marks Register himself but instead based his statement on information obtained from the applicant's solicitor, Michael Winton. Even if the evidence was not hearsay, inferences about the state of the marketplace can only be drawn from

state of the register evidence where large numbers of relevant registrations are located (see *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)). The existence of four marks on the register that incorporate the phrase “just the beginning” for wares or services unrelated to those of the applicant or opponent is insufficient to allow me to draw an inference about the state of the marketplace.

No Evidence of Actual Confusion

As a further surrounding circumstance, I have considered that there has been a several year period of co-extensive use of the opponent’s mark for, *inter alia*, books, signs, and stationery, and the applicant’s mark for coffee, *inter alia*, and restaurant services. Although the applicant did not evidence sales effected by it in the marketplace, in view that at the date of the Giannakopoulos affidavit there were 37 Williams Coffee Pub locations throughout Ontario, I think it is reasonable to infer that the applicant’s sales to date have been somewhat significant. Considering this factor, combined with the opponent’s significant sales and the fact that over ½ of the opponent’s Chapters stores in Canada are located in Ontario (see Giannakopoulos affidavit, para. 24), it is expected that if confusion were to occur, there would be some evidence of it in the marketplace. Yet, the opponent was unable to evidence any incidents of actual confusion among consumers or even any mere incidents of mistake. I draw a negative inference from this factor. In doing so, I had regard to the recent decision in *Provigo Distribution Inc. v. Max Mara Fashion Group* (November 17, 2005; T-2030-40) as well as the following statement in *Dion Neckwear Ltd. v. Christian Dior, S.A.* (2002), 20 C.P.R. (4TH) 155 at 164 (F.C.A.):

“While the relevant issue is “likelihood of confusion” and not “actual confusion”, the lack of “actual confusion” is a factor which the courts have found of significance when determining the “likelihood of confusion”. An adverse inference may be drawn when concurrent use on the evidence is extensive, yet no evidence of confusion has been given by the opponent.”

Conclusion re: Likelihood of Confusion

In view of the above, and in particular the dissimilarity in the nature of the trade of the parties, and the fact that both marks have co-existed for several years without any evidence of actual confusion, I find that the applicant has satisfied the burden on it to show no reasonable likelihood of confusion between the opponent's mark and the applicant's mark. Thus, the first ground of opposition is unsuccessful.

Non-entitlement Ground

With respect to the Section 16 ground of opposition, there is an initial burden on the opponent to evidence use of its trade-mark prior to the applicant's date of first use. I am prepared to accept that the opponent used the trade-mark GREAT BOOKS ARE JUST THE BEGINNING prior to July 14, 1999.

This ground also turns on the issue of confusion, although the material date is as of the applicant's date of first use. The reasons discussed for the first ground, for the most part, also apply to this ground of opposition. This ground of opposition is therefore also unsuccessful.

Distinctiveness Ground

As for the third ground of opposition, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its wares and services from those of others throughout Canada: see *Muffin Houses Incorporated v. The Muffin House Bakery Ltd.* (1985), 4 C.P.R.(3d) 272 (T.M.O.B.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the opposition (i.e. - October 9, 2001): see *Re Andres Wines Ltd. and E. & J. Gallo Winery* (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.) and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.).

The third ground essentially turns on the issue of confusion as of the filing of the opposition. For most of the reasons discussed respecting the first ground, I find that the applicant's mark is not confusing with the opponent's mark. Thus, the third ground is also unsuccessful.

Section 30(i) Ground

The opponent has also pleaded that the application does not conform to the requirements of s.30(i) because the applicant is not the person entitled to use the applied for mark in view of the opponent's prior use and registration of the trade-mark GREAT BOOKS ARE JUST THE BEGINNING. No evidence was furnished by the opponent to show that the applicant was aware of the opponent's prior use of its trade-mark when it filed its application or that the applicant could not have been satisfied that it was entitled to use the applied for mark. The s.30(i) ground is therefore also unsuccessful.

Disposition

In view of the above, and pursuant to the authority delegated to me under s. 63(3) of the Act, I reject the opposition pursuant to s.38(8) of the Act.

DATED AT GATINEAU, QUEBEC, THIS 26th DAY OF January, 2006.

C. R. Folz
Member,
Trade-Marks Opposition Board