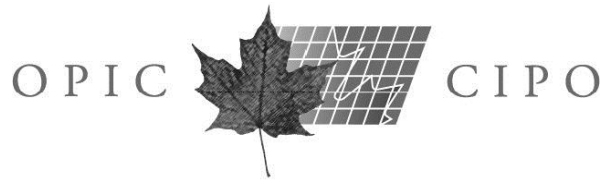


TRADUCTION / TRANSLATION



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

Citation: 2011 TMOB 154
Date of Decision: 2011-08-31

**IN THE MATTER OF OPPOSITIONS
by Hillstone Restaurant Group, Inc. to
application No. 1,319,527 for the
trade-mark HOUSTON STEAKS AND
RIBS Design and application
No. 1,319,528 for the trade-mark
HOUSTON STEAKS ET CÔTES
LEVÉES Design in the name of Houston
Canada Inc.**

[1] On September 27, 2006, 9127-6907 Quebec Inc. (9127) filed the applications for registration No. 1,319,527 for the trade-mark HOUSTON STEAKS AND RIBS Design and No. 1,319,528 for the trade-mark HOUSTON STEAKS ET CÔTES LEVÉES Design, shown below, for [TRANSLATION] “restaurant services” (the Services):

Application No. 1,319,527:

HOUSTON
S T E A K S A N D R I B S

(the English Mark)

Application No. 1,319,528:

HOUSTON
S T E A K S E T C Ô T E S L E V É E S

(the French Mark)

[2] Each application is filed on the basis of use of the Mark in Canada by 9127 and its predecessor in title, 9062-0782 Quebec Inc. (9062), since as early as 1998.

[3] I note that, on July 22, 2009, the Canadian Intellectual Property Office (CIPO) registered Houston Canada Inc. as the applicant in respect of the applications for registration. This registration results from assignments which I will address below in my discussion of the evidence in the records. Unless otherwise indicated, any subsequent use of the term “Applicant” in my decision is a reference to the applicant in respect of these applications for registration at the relevant period.

[4] The Applicant has disclaimed the right to the exclusive use of the words “steaks” and “ribs” apart from the English Mark and the right to the exclusive use of the words “steaks” and “côtes levées” apart from the French Mark.

[5] Both applications were advertised for opposition purposes in the *Trade-marks Journal* of September 25, 2007.

[6] On September 25, 2007, Hillstone Restaurant Group, Inc. (the Opponent) filed a statement of opposition against each application for registration, raising identical grounds of opposition. I summarize below the grounds of opposition raised under the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act) against each application for registration:

1. The application for registration does not comply with the requirements of s. 30 of the Act. More specifically, the application does not fulfill
 - (i) the requirements of s. 30(b) of the Act, in that the applied-for Mark has not been used in Canada by the Applicant in association with the Services since as early as 1998. Alternatively or cumulatively, on the date of first use alleged in the application, the Mark was used by other entities, contrary to s. 50 of the Act;
 - (ii) 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 applied-for Mark in association with the Services, given its prior knowledge of other trade-marks containing the elements HOUSTON and/or HOUSTON’S.

2. The Applicant is not the person entitled, under s. 16(1) of the Act, to register the applied-for Mark since, on the filing date of the application, the Mark was confusing with the trade-marks registered and used in the United States by the Opponent in association with restaurant services, and previously made known in Canada by the Opponent, including the trade-marks HOUSTON'S, HOUSTON'S RESTAURANTS & Design and HOUSTON'S & Design, shown below:



(HOUSTON'S RESTAURANTS & Design)



(HOUSTON'S & Design)

3. The applied-for Mark is not distinctive in that it does not distinguish the Applicant's Services from the services of others and was not adapted to so distinguish them. The Opponent adds that, without limiting the generality of the foregoing, the mark is not distinctive of the Applicant's Services because the mark used in Canada is not the applied-for mark. Alternatively or cumulatively, the mark was used by third parties, contrary to s. 50 of the Act, either because the use is not licensed or because the Applicant, under the licence, does not have direct or indirect control of the character or quality of the Services.

[7] For each application, the Applicant filed a counter statement denying all the grounds of opposition and alleging that it is the owner of the registration No. TMA551,805 for the trade-mark HOUSTON'S STEAKHOUSE AND RIBS / HOUSTON'S STEAK ET CÔTES LEVÉES.

[8] In each proceeding, the Opponent filed evidence under Rules 41 and 43 of the *Trade-marks Regulations*, SOR/96-195, and the Applicant filed Rule 42 evidence.

[9] Only the Applicant filed a written argument in each proceeding. Each party was represented at the oral hearing for both proceedings.

Onus

[10] The onus is on the Applicant to show that its application meets the requirements of the Act. However, it is up to the Opponent to ensure that each of its grounds of opposition is duly argued and to meet its initial evidentiary onus by establishing the facts supporting its grounds of opposition. Once this initial onus is met, the Applicant has to prove, on a balance of probabilities, that none of the grounds of opposition impedes the registration of the English Mark and of the French Mark [see *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.); *Dion Neckwear Ltd. v. Christian Dior, S.A. et al* (2002), 20 C.P.R. (4th) 155 (F.C.A.); and *Wrangler Apparel Corp. v. The Timberland Company* (2005), 41 C.P.R. (4th) 223 (F.C.)].

[11] The evidence filed by each party is discussed below. I will return specifically to certain pieces of evidence in my analysis of the grounds of opposition.

The Opponent's evidence in chief

[12] The Opponent's evidence in chief in each proceeding consists of six affidavits. None of the affiants were cross-examined by the Applicant. Since the affidavits filed in each proceeding by one affiant are essentially identical, in that only the headers are different, I will make no distinction between them in my discussion of the evidence adduced by the affiant.

Affidavit of W. Glenn Viers, dated May 29, 2008

[13] From the outset, I note that Mr. Viers expresses various opinions in his affidavit, including such opinions as (i) the Opponent's mark HOUSTON'S has become known in Canada; (ii) the Marks at issue in these proceedings are confusing; and (iii) the Applicant adopted its Marks with the specific intention of benefiting from the goodwill associated with the Opponent's business in the United States. I will give no weight to Mr. Viers' opinions on the questions of fact and law that must be decided in these proceedings on the basis of the evidence in the records.

[14] Mr. Viers, the vice-president and general counsel of the Opponent, has been in the Opponent's employ since 1993 [§ 1].

[15] Mr. Viers states that the Opponent operates, in the United States, a restaurant chain that has been providing “upscale casual dining” in association with the trade-name and trade-mark HOUSTON’S since 1977 [§ 2 and § 6]. On the date of the affidavit, the Opponent was operating 33 restaurants in a number of cities in the United States [§ 2 and § 6]. The Opponent’s sales exceeded US\$400 million last year, and its restaurants were serving over 200,000 customers a week [§ 3]. Since 1977, the Opponent has had no need to engage in substantial advertising of its HOUSTON’S restaurants because of their widespread reputation acquired simply by word of mouth [§ 7].

[16] Mr. Viers filed printouts from the Opponent’s Web site, *www.hillstone.com* [Exhibit “A”]. He also filed the details of the United States registrations of the marks HOUSTON’S, HOUSTON’S RESTAURANTS & Design and HOUSTON’S & Design (collectively, the HOUSTON’S marks) of the Opponent [Exhibit “B”].

[17] Photographs included in the affidavit show the mark HOUSTON’S on signs placed outside the Opponent’s restaurants [§ 8]. According to Mr. Viers, the HOUSTON’S marks appear on, among other things, menus, information brochures, business cards, the Web site and promotional items, and in advertisements [§ 9]. He produced “samples of material” to show the use of the HOUSTON’S marks [Exhibit “C”]. This material includes a copy of an advertisement that ran recently in the Atlanta magazine *Jazebel*, available, among other places, in most of the upscale hotel rooms of that city.

[18] Mr. Viers confirms that the Opponent operates no restaurants in Canada [§ 4 and § 10]. However, he states that Canadians have been going to HOUSTON’S restaurants for years, particularly the restaurants located near the Canada–United States border and in cities popular with Canadian tourists [§ 10]. He adds the following:

10. . . . From my experience, it is a result of such visits by Canadians and the spreading of our restaurants’ reputation by word of mouth and by recommendations from hotel personnel, travel agencies and information kiosks, that HOUSTON’S branded restaurants are well known.

[19] Mr. Viers states that, from 2003 until the date of his affidavit, he was told constantly by managers of various restaurants of the Opponent that those restaurants receive Canadian

patronage. Furthermore, the Opponent regularly receives letters, telephone calls and emails from Canadian customers seeking to obtain information on the restaurants, make reservations and report the confusion created by the Applicant's restaurants [§ 11].

[20] Mr. Viers became aware of the Applicant in June 2003, after an advertisement for one of the Applicant's restaurants [Exhibit "D"] was published in the *Journal de Montréal*. He reproduces the following excerpt from that advertisement at paragraph 12 of his affidavit:

[TRANSLATION]

Before crossing our borders five years ago, Houston restaurants were already delighting an ever-expanding clientele in North America. Since 1977, some fifty restaurants have come into operation, from San Francisco to Manhattan and from Miami to Chicago. Now, Groupe Restaurants Houston Canada has set its sights on coming to Québec City, very soon.

[21] At paragraph 12 of his affidavit, Mr. Viers states that

. . . As a result of this advertisement, we were forced to contact the Applicant and demanded that it refrain, from among other things, making such statements. While the Applicant did agree to refrain from making any such statements, it did not comply with that undertaking. At that time, I was unaware that the Applicant was using the subject Mark.

[22] It is also useful to reproduce paragraphs 13 and 14 of the affidavit:

13. A few months later, in August 2003, a representative for the Applicant advised the landlord of one of its restaurants (located at 1240 Drummond Street, Montréal) that it was the Canadian franchisee of HOUSTON'S branded restaurants in the U.S. The landlord contacted me to demand payment of an outstanding rent cheque. Again, I was forced to contact the Applicant as a result of the confusion its trade name was causing. Although I understood that the Applicant would discontinue its deceptive activities, it did not do so.
14. In January 2004, I instructed Canadian counsel to hire a private investigator to investigate the Applicant's activities. I have attached a copy of the investigator's report at Exhibit "E". This investigator contacted the Applicant's franchisee agent (NRG Franchise Group Inc.) under the pretense of being a potential franchise. As is evident from the investigator's June 7, 2004 report, the Applicant was falsely associating itself with our HOUSTON'S branded restaurants, notwithstanding our demands to stop this activity. Further, during a March 11, 2004 telephone conversation between the investigator and Jonathan Abramson of NRG Franchise Group Inc., Mr. Abramson specifically represented that the Canadian restaurants

that the Applicant had acquired the rights to use that name from Hillstone, which was also untrue.

[23] On the date of his affidavit, Mr. Viers had recently been informed that the Applicant had opened a franchised restaurant at 33 Yonge Street in Toronto [§ 15]. He filed copies of photographs of outdoor signs and of a business card of the restaurant [Exhibit "F"]. He also filed printouts from a Web site, printed on May 29, 2008, showing the English Mark and the French Mark, which he mistakenly identified as the *www.hillstone.com* Web site, whereas the printouts in question are in fact from the *www.houstonrestaurants.ca* Web site [§ 16, Exhibits "G"]. At the hearing, I stated that I accept that Mr. Viers mistakenly identified this Web site as *www.hillstone.com*, whereas it is the Applicant's Web site instead.

[24] To conclude my discussion of the Viers affidavit, I will consider the evidence intended to show cases of confusion between the Applicant's restaurant in Toronto and the HOUSTON'S restaurants operated by the Opponent in the United States.

[25] Mr. Viers adduced printouts of reviews published by consumers on *www.martiniboys.com* (a rating site for Toronto restaurants) [Exhibit "H"]. In the body of his affidavit, he reproduced excerpts from three reviews to show Canadian consumers' confusion and their favourable knowledge of the Opponent's restaurants [§ 18]. I can see that the excerpts reproduced in the affidavit are from reviews published on the Web site by Toronto residents in the months spanning from December 2005 to February 2006. I accept that the first two reviews refer expressly to the Opponent's restaurant chain in the United States and that the third criticism refers to it implicitly. Mr. Viers also filed a copy of an article by Joanne Kates, a restaurant critic for *The Globe and Mail*, from which he reproduces excerpts in his affidavit [§ 19, Exhibit "I"]. I can see that the excerpts reproduced in the affidavit are from the article published on the *www.theglobemail.com* Web site on February 4, 2006, and that Ms. Kates mentions in the article that the restaurant is "the Canadian out-post of an American chain". I have no reason to doubt that the authors of these reviews were aware of the Opponent's HOUSTON'S restaurants in the United States and that they mistakenly associated the Toronto restaurant with the Opponent.

[26] Mr. Viers adduced a copy of an email dated February 13, 2006, which the Opponent received from Dale Dreher, of Toronto, following Ms. Kates' review [§ 20, Exhibit "J"]. I can

see that in addition to informing the Opponent of the review, Mr. Dreher forwarded to the Opponent an email dated February 4, 2006, that he had sent to Ms. Kates, in which he writes, among other things, “I made the same mistake you did. I made a reservation at this new Yonge Street restaurant thinking it was part of the great American chain, Houston’s. My wife and I have enjoyed a number of great meals at t!he [*sic*] Fort Lauderdale location over the years.” First, this evidence corroborates the evidence of Ms. Kates’ knowledge of the Opponent’s HOUSTON’S restaurants. Second, I have no reason to doubt that the author of the email knew of the Opponent’s HOUSTON’S restaurant chain in the United States and mistakenly associated the Toronto restaurant with the Opponent.

[27] Last, Mr. Viers adduced as Exhibit “K” a fax received by the Opponent from Donald N. Bester of the Avison Young corporation in Toronto [§ 21]. I can see that Mr. Bester asks, among other things, whether the “soon-to-open” restaurant in Toronto is one of the Opponent’s restaurants. The fax is dated August 9, 2005.

Affidavit of Chris Florczak, dated May 29, 2008

[28] Mr. Florczak, who has been working for the Opponent since September 2000, is the supervisor of 10 HOUSTON’S restaurants located in California, Arizona and Georgia [§ 1].

[29] According to Mr. Florczak, on the date of his affidavit, the restaurants he supervised had been serving over 4,500 customers a week over the last five years. Canadians are patrons at these restaurants. Canadians or customers from Canada represent approximately 10 to 15 percent of the annual clientele, particularly during the winter season [§ 2]. In recent years, he has noticed that these restaurants have received inquiries as to whether they were associated with the Applicant’s restaurants in Canada. These verbal inquiries were not documented in writing [§ 3].

Affidavit of Cindy Norman, dated May 29, 2008

[30] Ms. Norman, who has been working for the Opponent for approximately 12 years, is the supervisor of the HOUSTON’S restaurants in Florida [§ 1].

[31] According to Ms. Norman, in the winter season, Canadians or customers from Canada represent up to 30 percent of the total customer base of some of the restaurants she supervises

[§ 2]. Over the last years, she has noticed that these restaurants have received inquiries as to whether they were associated with the Applicant's restaurants in Canada. Those verbal inquiries were not documented in writing [§ 3].

Affidavit of Harry Davies, dated May 30, 2008

[32] Mr. Davies, a private detective, is the president of Advocate Investigation Services Limited (Advocate), a private detective agency [§ 1].

[33] According to Mr. Davies, the Opponent's previous legal counsel retained Advocate's services to investigate the Applicant's activities and try to determine whether the Applicant was falsely associating itself with the Opponent [§ 2]. He worked personally on this investigation, with his associate, Alfons Altmann [§ 3].

[34] I reproduce paragraphs 4 to 6 of the affidavit:

4. On March 11, 2004, Alfons, posing as Mr. Paul Novak, called Jonathan Abramson. From our investigations it appears that Mr. Abramson is the owner of a Montreal company called The NRG Franchise Group, which was responsible for franchising the Applicant's restaurants in Canada.
5. Shortly after the call, Alfons advised me what was discussed during his conversation with Mr. Abramson. I have attached at Exhibit "A" a true copy of the transcript of the March 11, 2004 telephone conversation held between Alfons and Mr. Abramson, which is consistent with what I discussed with Alfons.
6. Unfortunately, Alfons passed away in March 2007. I have reviewed my files and the tape conversation between Alfons and Mr. Abramson held on March 11, 2004. I confirm that the attached transcript accurately outlines what was discussed during that conversation.

Affidavit of Brian David Segal, dated June 2, 2008

[35] Mr. Segal is an associate of the Toronto law firm Baker & McKenzie LLP, which specializes in tax law [§ 1].

[36] Mr. Segal states that he is familiar with the "well-known chain" of HOUSTON'S restaurants in the United States, has seen a number of HOUSTON'S restaurants while visiting

the United States and dined at a HOUSTON'S restaurant while on vacation in Florida. He adds, "Further, in around July 2006, I read an article entitled 'Best Restaurants – Newer Chains Take High Honors' in *Consumer Reports Canada*, which ranked Houston's chain of restaurants as the top 'Traditional American' restaurant in the U.S." [§ 3, Exhibit "A"]. I noted that the first and last pages of Exhibit "A" list the prices in Canadian dollars.

[37] According to Mr. Segal, he went to the Houston Steaks & Ribs restaurant on 33 Yonge Street with a colleague on February 7, 2006 [§ 2]. He was curious to see whether this restaurant was associated with the American chain; the sign seemed to be of the same colour and in the same font as the as the sign for the HOUSTON'S restaurant chain in the United States [§ 4]. He asked an employee whether the restaurant was associated with the HOUSTON'S restaurant chain in the United States [§ 5]. The employee stated that the restaurant was associated with the restaurant chain in the United States, that the menus were similar and that the sauces used by the restaurant and the HOUSTON'S restaurant chain were identical [§ 6].

[38] Given that Baker & McKenzie LLP is acting as trade-mark agent for the Opponent, I think it is reasonable to conclude that Mr. Segal is not an impartial witness filing an affidavit in complete objectivity [see *Cross Canada Auto Body Supply (Windsor) Limited et al. v. Hyundai Auto Canada* (2005), 43 C.P.R. (4th) 21 (F.C.)]. Consequently, I give no weight to his statement that the Opponent's restaurant chain is well known, or to his statements regarding the similarities between the signs for the parties' restaurants. That being said, I do accept his statements that he saw HOUSTON'S restaurants while visiting the United States and that he dined at one of those restaurants in Florida. Last, although the objectivity of his conversation with the employee is questionable, my discussion of the Applicant's evidence will show that this evidence does not challenge the substance of that conversation.

Affidavit of Laura Rogers, dated May 28, 2008

[39] On May 23, 2008, Ms. Rodgers, a legal assistant at Baker & McKenzie LLP, went to the Houston Steaks & Ribs restaurant on 33 Yonge Street, to take photographs of the outdoor signs [§ 1 et § 2]. She adduced copies of the photos she took [Exhibit "A"] and copies of a server's order form and of a business card for the restaurant [Exhibit "B"]. I note that these exhibits display the English Mark.

Applicant's Evidence

[40] The Applicant's evidence in each proceeding consists of an affidavit by Stéphane Viau dated December 30, 2008. Mr. Viau was not cross-examined by the Opponent. Since the affidavits adduced in each proceeding are essentially identical, in that only the headers are different, I will make no distinction between Mr. Viau's affidavits in my discussion of the evidence. What is more, unless otherwise stated, any subsequent use of the term "Marks" in my discussion refers collectively to the English Mark and the French Mark.

[41] Here as well, I note that the affiant expresses opinions on questions of fact and law that must be decided on the basis of the evidence filed in the records. Consequently, I will give no weight to Mr. Viau's opinions that the Marks are distinctive, that their licensed use was beneficial to the Applicant and that "any minor confusion" that has arisen over the last 10 years with the Opponent's restaurants is insignificant.

[42] Mr. Viau is the general manager of Les Consultants en Restauration Pro-Vi Inc. (Pro-Vi) [§ 1]. He identifies Pro-Vi as the owner of the Marks on the date of his affidavit [§ 2].

[43] Mr. Viau states that he is one of the associate founders and general manager of 9062 which founded the HOUSTON restaurants in Canada [§ 3]. 9062 began operations of the first HOUSTON restaurant in Rosemere, Quebec, in 1998 [§ 7]. Mr. Viau states that he was continually involved in managing, franchising and granting licences for HOUSTON restaurants for all of 9062's successors in title. He was or is, directly or indirectly, one of the associates of various affiliated corporations that operated or have been operating HOUSTON restaurants at various locations in Québec and Ontario since 1998 [§ 4].

[44] In his affidavit, Mr. Viau discussed the ownership of the Marks by means of the following explanation:

- 9062 assigned all of its rights, titles and interest in the trade-mark HOUSTON'S STEAKHOUSE AND RIBS / HOUSTON'S STEAK ET CÔTES LEVÉES (No. TMA551,805) to 9127 by means of an assignment document effective July 29, 2003 (the 2003 Assignment) [§ 7, Exhibit "SV-1"]. Although the assignment

document refers only to the registered mark, the assignment in fact covered all variations of this mark, including the Marks [§ 8].

- 9127 assigned the Marks, the other marks, the trade-names and the domain name for the HOUSTON restaurants to 9187-0196 Quebec Inc., doing business under the trade-name Houston Canada (9187), by means of an assignment document dated October 31, 2007 (the 2007 Assignment) [§ 9, Exhibit “SV-2”].
- 9187 assigned the Marks, the other marks, the trade-names and the domain name for the HOUSTON restaurants to Pro-Vi by means of an assignment document dated August 1, 2008 (the 2008 Assignment) [§ 10, Exhibit “SV-3”].

[45] These explanations provided by Mr. Viau prompt me to return to my statement regarding CIPO’s registration of Houston Canada Inc. as applicant of the applications for registration. In this regard, I note that CIPO registered the 2007 Assignment on May 7, 2008, and the 2008 Assignment on July 22, 2009. In addition, CIPO registered two other assignments on July 22, 2009, that is, one assignment dated February 1, 2009, from Pro-Vi to 9187 and its trustee in bankruptcy, and another assignment dated February 3, 2009, from 9187 (represented by the trustee) to Houston Canada Inc. I will add that these last two assignments have no bearing on these proceedings because of the relevant dates in respect of which the grounds for opposition are to be assessed.

[46] Also according to Mr. Viau, Pro-Vi’s predecessors in title, franchisors of the restaurants operated under the HOUSTON banner, used the Marks by means of licences granted to franchisees and affiliated companies [§ 13]. After the 2003 Assignment, 9127 continued the licences granted by 9062 and also granted new licences to various companies [§ 14]. After the 2007 Assignment, 9187 continued the licences granted by its predecessors and also granted new licences to various companies [§ 15]. After the 2008 Assignment, Pro-Vi continued the licences granted by its predecessors and also granted new licences to various companies [§ 16].

[47] Paragraph 17 of the affidavit begins with the following statement by Mr. Viau:

Since 1988, companies affiliated with the corporate owner of the Mark and/or franchisees have operated under license from the corporate owner of the Mark (now Pro-Vi) the restaurants under the HOUSTON banner using the Mark in association with the Services, in locations in the Provinces of Quebec and Ontario, namely: . . . :

[48] Mr. Viau next provides the addresses of four restaurants in Quebec (Rosemere, Boucherville, Laval and Kirkland) and of one restaurant in Ontario (Toronto), and also provides the addresses of two restaurants that are no longer in operation (Montréal and Vaughn Mills). In each case, he identifies the corporation operating the restaurant on the date of his affidavit and, if any, the corporations that operated it previously. He has appended copies of record sheets from Quebec's and Canada's business register databases for each of the corporations identified [Exhibit "SV-4"].

[49] At the hearing, I questioned the Applicant about the relevance of the record sheets appended as Exhibit "SV-4". The Applicant reiterated its written representations that the information on the record sheets shows that all of the corporations involved in the operation of the HOUSTON restaurants since 1988 are affiliated companies. The Applicant further submitted that the record sheets show Mr. Viau's involvement in the corporations at issue. Having read the record sheets, I am of the opinion that they do not support a conclusion that there are corporate relationships between all of these corporations and the Applicant. Furthermore, the record sheets identify Mr. Viau as the shareholder or director of only some of the companies named at paragraph 17 of his affidavit. In any event, if it could be concluded that the record sheets support the Applicant's allegations, in my opinion this evidence would exist on the date Quebec's and Canada's business registers are updated.

[50] Mr. Viau states that, in the 10 years after operations began in 1998, the restaurants became commonly known as HOUSTON STEAKS AND RIBS in English and HOUSTON STEAKS ET CÔTES LEVÉES in French [§ 18].

[51] According to Mr. Viau, the Applicant has always been in charge of the nation-wide advertising and marketing of the restaurants operated under the HOUSTON banner and under the Marks, while the companies operating the restaurants are in charge of local advertising subject to the Applicant's approval [§ 19].

[52] Mr. Viau states that the Marks appear on the official Web site of the HOUSTON banner (*www.houstonrestaurants.ca*). Owing to technical difficulties, the Web site was not accessible at the date of his affidavit. However, Mr. Viau confirms that the printouts appended at Exhibit “G” to the Viers affidavit are from the Web site [§ 20]. He has adduced copies of a menu showing the French Mark [Exhibit “SV-5”], business cards showing the Marks [Exhibit SV-6] and confirms that Exhibits “A” and “B” of the Rogers affidavit are samples of use of the Mark [§ 21 to § 23].

[53] Mr. Viau, who was involved in developing the “look” and marketing scheme for the HOUSTON restaurants, explains that he decided to use capital letters in red for the word “Houston” simply because red is a colour that attracts people’s attention and using it makes a link with the city of Houston, the state of Texas, American cattle ranches and barbecue or grilled beef. He adds that these concepts and associations are described in an article from the September/October issue of *Le Chef* magazine and in the franchise documentation, of which he has appended copies [§ 24, Exhibits “SV-7” and “SV-8”]. Having read the franchise documentation, filed in English and French, I conclude that this is documentation dating back to 2003 or 2004 and intended for potential franchisees.

[54] Mr. Viau states that, since 1998, the Applicant’s restaurants have coexisted with other restaurants operated in Canada in association with a trade-name or trade-mark containing the name “Houston” [§ 25]. To show that there were third-party marks in the register in 1998, he has adduced record sheets from the Canadian Trade-marks Database in connection with the marks HOUSTON’S AT THE MILL (No. TMA314,047), HOUSTON PIZZA & Design (No. TMA407,273) and HOUSTON PIZZA (No. TMA408,131) [§ 26, Exhibit “SV-9”]. He has also filed a printout from a Web site, apparently printed out on December 30, 2008, to show the use of the colour red for the word “Houston” in the mark HOUSTON PIZZA & Design [§ 27, Exhibit “SV-10”].

[55] Mr. Viau made the following reply to some of the statements made by Messrs. Segal, Davies and Viers:

- The communication of false information in February 2006 by an employee at the Toronto restaurant, operating since 2004, is an isolated incident. It was reported and

quickly dealt with by management, which notified all staff members that there was no connection with the Opponent's restaurants [§ 28].

- The NRG Franchise Group (NRG) was hired by 9127 in early 2004 on a trial basis as consultants to assist in promoting the HOUSTON restaurants franchise. The false statements by Mr. Abrahamson, an NRG employee, were in no way authorized by 9127. Mr. Abramson posed as Mr. Viau in certain instances. In the spring of 2004, after having discovered Mr. Abramson's improper conduct, 9127 immediately terminated its relationship with NRG [§ 29 and § 30]. Mr. Viau has filed a copy of the Quebec enterprise register record sheet pertaining to NRG [Exhibit "SV-11"]. At the hearing, in answer to my question as to the relevance of this record sheet, the Applicant stated that it shows that NRG is not associated with the Applicant.
- Exhibit "D" of the Viers affidavit is not an advertisement placed by 9127. It is an article by a columnist for the *Journal de Montréal*. This was explained to representatives for the Opponent, and Mr. Viau assured them that in no way was 9127 trying to associate its restaurants operating in Canada with the Opponent's restaurant chain in the United States [§ 30]. I note that Exhibit "D" is indeed a newspaper article entitled *Nouveau-né des restaurants Houston au centre-ville* [Houston restaurants' newest addition opens downtown] I also note it is marked "publi-reportage" [advertorial].
- The representatives of 9127 did not make the statements to the landlord as reported at paragraph 13 of the Viers affidavit. The landlord was trying to put pressure on 9127 to settle a leasing dispute by creating problems for it with the Opponent [§ 30].

[56] Since Mr. Viau was not cross-examined and the statements discussed above are not inconsistent with the rest of his affidavit, I accept them as true. That being said, even if I accept that 9127 was not responsible for the content of the article in the *Journal de Montréal*, I conclude that the article was written or published in exchange for compensation from 9127. In support of

my conclusion, I note the definition of the term “publi-reportage” in *Le Petit Robert 2011*: [TRANSLATION] “advertising message in a magazine, presented as a normal report”.

[57] Mr. Viau compares the menu for the Opponent’s restaurants (included in Exhibit “C” of the Viers affidavit, not in Exhibit “G” as stated by Mr. Viau) with the menu of the Applicant’s restaurants to show that they are different. He also concludes that the parties’ restaurants have different concepts [§ 30]. Last, Mr. Viau states that the Marks were adopted in good faith and that at no time did the Applicant try to make any link to the Opponent’s Services and restaurants [§ 32 and § 33].

Opponent’s reply evidence

[58] The Opponent’s reply evidence, which is the same in each proceeding, consists of certificates of authenticity for registrations No. TMA314,047 (HOUSTON’S AT THE MILL) and No. TMA551,805 (HOUSTON’S STEAKHOUSE AND RIBS / HOUSTON’S STEAK ET CÔTES LEVÉES). The certificates show that registration No. TMA314,047 was expunged on December 27, 2001, for failure to renew and that registration No. TMA551,805 was expunged on April 27, 2009, under s. 45 of the Act.

Analysis of the grounds of opposition

[59] After analyzing the grounds of opposition, I will address the issue of whether the Applicant’s evidence shows that there is the control required under s. 50 of the Act, such that the use of the Marks in Canada in association with the Services is deemed to have been use by the Applicant.

[60] Section 50(1) of the Act provides that the owner of a trade-mark must have direct or indirect control over the character or quality of the wares and services in order for the use of the trade-mark by a licensee to be deemed use by the owner. Section 50(1) does not require a written licence. Evidence of control by the trade-mark’s owner can support the existence of an implied license agreement [see *Well’s Dairy Inc. v. UL Canada Inc.* (2000), 7 C.P.R. (4th) 77 (F.C.T.D.)]. It is trite law that a corporate relationship, alone, is insufficient to satisfy the requirement of s. 50 of the Act [see *MCI Communications Corp. v. MCI Multinet*

Communications Inc. (1995), 61 C.P.R. (3d) 245 (T.M.O.B.) and *Dynatech Automation Systems Inc. v. Dynatech Corp.* (1995), 64 C.P.R. (3d) 101 (T.M.O.B.)). However, it has been held that a common controlling individual may satisfy the requirement of s. 50 of the Act [see *Petro-Canada v. 294661 Canada Inc.* (1998), 83 C.P.R. (3d) 129 (F.C.T.D.); *Lindy v. Canada (Registrar of Trade-Marks)* (1999), 241 N.R. 362 (F.C.A.)].

[61] Although the Applicant’s evidence shows that there was licensed use of the Marks by franchisees, the case law is clear that the fact of a franchisor’s having some control over its franchisee is not sufficient, on its own, to establish control over the character or quality of the wares or services [see *Realestate World Services (1978) Ltd. v. Firstline Trust Co.* (1997), 77 C.P.R. (3d) 406 (T.M.O.B.)]. That being said, in this case, the franchise documentation does suggest that the Applicant had control over the character and quality of the Services offered by the franchisees under the HOUSTON banner. To illustrate, though not exhaustively, I reproduce an excerpt from the French-language franchise documentation [Exhibit “SV-8” of the Viau affidavit]:

[TRANSLATION]

After your franchise contract has been signed, you and your managers will complete a mandatory six- to eight-week training program at HOUSTON. . . . At that time, you will receive our operations manual—our precious reference guide—which will be essential to you in reaching the path to success. This manual will be updated as new procedures are established.

[62] Having considered Mr. Viau’s affidavit as a whole, and given that he was not cross-examined, I am prepared to accept that the Applicant has satisfactorily demonstrated that it had the control required under s. 50 of the Act to have made licensed use of the Mark in association with the Services.

[63] I will now analyze the grounds of opposition. In this case, the differences between the English Mark and the French Mark have no bearing on my analysis of the grounds of opposition. As a result, unless otherwise stated, any subsequent conclusion regarding the rejection or acceptance of a ground of opposition applies to both application No. 1,319,527 and application No. 1,319,528.

Non-compliance with s. 30 of the Act

[64] The relevant date for assessing the grounds of opposition predicated on non-compliance with s. 30 of the Act is the filing date of each of the applications for registration [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.)].

Non-compliance with s. 30(b) of the Act

[65] The Opponent presented a two-pronged argument of this ground of opposition. I reproduce below the first prong, as argued in each of the statements of opposition:

Pursuant to section 38(2)(a), the Application does not comply with the requirements of section 30(b) in that the Mark has not been used in Canada by the Applicant since as early as 1998 in association with the services claimed in the application (the “Services”). The Opponent puts the Applicant to the strict proof thereof.

[66] I reiterate that the first use claimed by the Applicant is the use by 9062, the predecessor in title of 9127. Yet, the ground of opposition as argued seems to state that 9127, rather than 9062, has not used the Mark since the date claimed. However, I believe it is reasonable to conclude that the ground of opposition refers to the absence of use of the Marks by 9127 and its predecessor in title since the date of first use claimed in the applications. Furthermore, the Applicant has not challenged the scope of the allegation.

[67] The second prong of the ground of opposition, as argued in both statements of opposition, reads as follows:

In the alternative, or cumulatively, the Application does not comply with the requirements of section 30(b) of the Act in that at the alleged date of first use claimed by the Applicant, the Mark was used by other entities, which were not licensed to use the Mark in accordance with the provisions of Section 50 of the Act or if they were, such license did not provide for the Applicant to have direct or indirect control of the character or quality of the Services and/or the Applicant did not exercise such direct or indirect control as required by Section 50 of the Act

[68] Since the facts are more readily available to the Applicant, the Opponent’s initial burden with respect to the ground of opposition predicated on non-compliance with s. 30(b) of the Act is lighter [see *Tune Masters v. Mr. P’s Mastertune Ignition Services Ltd.* (1986), 10 C.P.R. (3d) 84

(T.M.O.B.]). The Opponent can rely on the Applicant's evidence to meet this onus, but must show that this evidence is clearly inconsistent with the alleged use of the applied-for mark [see *York Barbell Holdings Ltd. v. ICON Health & Fitness, Inc.* (2001), 13 C.P.R. (4th) 156 (T.M.O.B.)]. In this regard, s. 30(b) of the Act provides that the applied-for mark must have been used continuously since the date claimed [see *Labatt Brewing Co. v. Benson & Hedges (Canada) Ltd.* (1996), 67 C.P.R. (3d) 258 (F.C.T.D.)].

[69] Since the Applicant has not claimed a specific date in 1998 as the date of first use of the Marks, I consider the date of first use claimed to be December 31, 1998 [see *Khan v. Turban Brand Products Ltd.* (1984) 1 C.P.R. (3d) 388 (T.M.O.B.)].

[70] At the hearing, the Opponent submitted that the decision resulting in the expungement of registration No. TMA551,805 under s. 45 of the Act supported the conclusion that the Marks were not used during the claimed period of use. I disagree. First, generally speaking, the issues raised in s. 45 proceedings differ significantly from those raised in opposition proceedings. Second, the registered mark was neither the English Mark, nor the French Mark.

[71] The Opponent also made various representations to show that Mr. Viau's affidavit failed to demonstrate use of the English Mark or of the French Mark since the date claimed in the corresponding application. Yet, I recall that the Applicant does not have the initial onus of proving use of the Marks in association with the Services since the date claimed. In this case, it is a matter of determining whether the evidence filed by the Applicant is clearly inconsistent with the allegations of use of the Marks in association with the Services since at least December 31, 1998. Ultimately, my opinion is that this is not the case.

[72] Regarding the second prong of the ground of opposition, in my view, none of the statements by Mr. Viau suggest that, on the date claimed, the Marks were used through an entity other than 9062, the original owner. Whatever the case, for the reasons set out above, the Applicant has shown to my satisfaction that 9062 and 9127 successively used the Marks from December 31, 1998, to the date on which the applications were filed.

[73] In light of the foregoing, I dismiss both prongs of the ground of opposition predicated on non-compliance with s. 30(b) of the Act.

Non-compliance with s. 30(i) of the Act

[74] Under s. 30(i) of the Act, an applicant must state being satisfied that it is entitled to use the trade-mark in association with the wares or services described in the application. Since the applications in this case do contain a statement of that nature, they are formally compliant with s. 30(i) of the Act. It is therefore a matter of knowing whether each application is substantively compliant, that is, whether this statement was true when the application was filed [see *Canadian Council of Professional Engineers v. Comsol AB*, January 17, 2011 (unreported) 2011 TMOB 3 (T.M.O.B.)].

[75] The Opponent correctly submitted that, in *Cerverceria Modelo, S.A. de C.V. v. Marcon* (2008), 70 C.P.R. (4th) 355 (T.M.O.B.) (*Marcon*), my colleague Cindy Folz expressed the following opinion: “In my view, the activity of attempting to coat-tail on the established reputation of so many well known marks should be the type of activity that s. 30(i) is designed to prevent”. That being said, the facts in these proceedings differ significantly from the facts in *Marcon*.

[76] There is no doubt that the evidence in the record establishes that, on the relevant date, the Applicant had knowledge of the activities of the Opponent’s chain of HOUSTON’S restaurants in the United States. One need only note Mr. Viau’s acknowledgement of having met with representatives of the Opponent after the publication of the advertorial in the *Journal de Montréal* in June 2003. With that in mind, the mere fact that the Applicant knew of the Opponent’s mark HOUSTON’S presented no obstacle to the Applicant’s making the statement set out at s. 30(i) of the Act. Given the ground of opposition argued and the Opponent’s representations, I am of the opinion that the ground of opposition must not succeed unless there is evidence of bad faith on the part of the Applicant. [see *Sapodilla Co. v. Bristol Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.)].

[77] The Opponent submits that the evidence in the records shows that Mr. Viers’ and Mr. Viau’s versions of the facts are contradictory. Relying on *Mougey v. Janzen* (2007), 62 C.P.R. (4th) 230 (T.M.O.B.) (*Mougey*), the Opponent submits that as the Applicant has the legal onus, I must prefer Mr. Viers’ version of the facts over Mr. Viau’s version and rule in favour of the Opponent.

[78] In the case before us, the contradiction between the witnesses results from the fact that Mr. Viers *expresses his opinion* about the Applicant's intention, whereas Mr. Viau *explains the reasons* for which 9062 chose the word "Houston" and elected to use red, capital letters. Furthermore, Mr. Viau provides clear, unequivocal replies to Mr. Viers' allegations regarding the advertorial of June 2003, the statements of the landlord who contacted the Opponent in August 2003 and NRG's activities in 2004. In my opinion, these proceedings are distinguishable from *Mougey* in that, despite the fact that the parties' witnesses contradict one another, I see no reason to prefer Mr. Viers' testimony over Mr. Viau's, especially since Mr. Viau was not cross-examined.

[79] In its written argument, the Applicant points out that despite the Opponent's knowledge of cases of confusion and of the Applicant's activities as early as 2003, the Opponent sought no legal remedy to attempt to put an end to the Marks' use. I do not think that this state of affairs, if accurate, is relevant for establishing the Applicant's good faith. That being said, the fact is that registration No. TMA551,805 for HOUSTON'S STEAKHOUSE AND RIBS / HOUSTON'S STEAK ET CÔTES LEVÉES was still in effect on the date of filing of the applications. Although mere ownership of registration No. TMA551,805 on the relevant date is not, in itself, sufficient to dispose of the ground of opposition, I am of the opinion that this fact lends credence to the Applicant's allegations that the required statement was made in good faith.

[80] Ultimately, I conclude that the statement required by s. 30(i) of the Act was made in good faith and that the Applicant has met its onus of establishing, on a balance of probabilities, that each application was made in compliance with s. 30(i) of the Act. I therefore dismiss the ground of opposition.

Entitlement to register pursuant to s. 16(1)(a) of the Act

[81] The relevant date in respect of which this ground of opposition is to be assessed is the date of first use claimed in the applications for registration [s. 16(1) of the Act].

[82] Although the Applicant has the legal onus, the Opponent must establish that the HOUSTON'S marks alleged in support of its ground of opposition were, or of one of those marks was, made known in Canada by the means set out at s. 5 of the Act, such that the

HOUSTON'S marks were well known at the relevant date. Furthermore, the Opponent must establish, under s. 16(5) of the Act, that the HOUSTON'S marks had not been abandoned at the advertisement date of the applications for registration.

[83] At the hearing, the Opponent admitted that it had failed to meet its onus of proving that any of its HOUSTON'S marks had been made known in Canada in accordance with the provisions of the Act at any date whatsoever. Therefore, I dismiss the ground of opposition.

Non-distinctiveness

[84] The relevant date for assessing the ground of opposition that the Marks are not distinctive, which is presented in three branches, is the filing date of the statements of opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)]

[85] From the outset, I dismiss the second branch of the ground of opposition, by which it is argued that the Marks used in Canada are not those applied for. I am of the opinion that this ground has no legal basis under s. 38(2)(d) of the Act. I would add that, in this case, this allegation could have been made in a more direct and timely manner in support of a ground of opposition predicated on non-compliance with s. 30(b) of the Act. For all intents and purposes, I note that the Opponent has filed no evidence in support of its allegation.

[86] I also immediately dismiss the third branch of the ground of opposition. The Opponent has failed to file any evidence in support of its allegations that the Marks are not distinctive because their use did not comply with s. 50 of the Act.

[87] It remains for me to rule on the first branch of the ground of opposition, which is predicated on the likelihood of confusion between the Marks and the Opponent's HOUSTON'S marks for restaurant services. Since I am of the opinion that the Opponent's case is stronger in respect of its mark HOUSTON'S, I will consider that mark for the purposes of this ground of opposition. The comparison of this mark and the Marks will be determinative.

[88] The Opponent has the initial onus of proving that, on September 25, 2007, its mark HOUSTON'S was sufficiently known in Canada to negate the distinctiveness of the Marks [see *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 (F.C.T.D.) (*Motel 6*); and *Bojangles'*

International, LLC and Bojangles Restaurants, Inc. v. Bojangles Café Ltd. (2006), 48 C.P.R. (4th) 427 (F.C.) (*Bojangles*)). Unlike as regards the ground of opposition advanced under s. 16(1)(a) of the Act, the issue of whether the mark HOUSTON'S had become sufficiently well known to negate the distinctiveness of the Marks need not be limited to the factors set out at s. 5 of the Act. As the Court stated in *Motel 6*:

The attack based on non-distinctiveness is not restricted to actual performance of services in Canada as in the case of a claim of prior use pursuant to s. 4. It also may be founded on evidence of knowledge or reputation of the opposing mark spread by means of word of mouth and evidence of reputation and public acclaim and knowledge by means of newspaper or magazine articles as opposed to advertising. All relevant evidence may be considered which tends to establish non-distinctiveness.

[89] At the hearing, the Applicant submitted that the evidence filed by the Opponent to demonstrate the reputation in Canada of its HOUSTON'S restaurant chain is fundamentally of the same nature as the evidence considered by the Court in *Bojangles*. Consequently, the Applicant has submitted that I must conclude that the Opponent has failed to adduce evidence satisfying its initial onus. In reply to the Applicant's allegations, the Opponent has submitted that, unlike the evidence in *Bojangles*, the evidence in this case shows that Canadian consumers have knowledge of the HOUSTON'S restaurant chain in the United States. For the following reasons, I agree with the Opponent that these proceedings may be distinguished from the *Bojangles*:

- The reviews of the Toronto restaurant published from December 2006 to February 2006 show Canadians' knowledge of HOUSTON'S restaurants in the United States at the relevant date [see § 25 of my decision]. The same can be said of the email dated February 4, 2006, from Mr. Dreher of Toronto [see § 26 of my decision].
- The fax dated August 9, 2005, that the Opponent received from Mr. Bester of Toronto suggests that he has knowledge of the Opponent's HOUSTON'S restaurants [see § 27 of my decision].
- Since the Applicant was not responsible for the advertorial published in June 2003 in the *Journal de Montréal*, it must be concluded that the columnist mistakenly

associated the Montréal restaurant operated by the Applicant with the restaurant chain of the Opponent [see § 20 of my decision]. It seems logical to me to conclude that the columnist made this association because of his knowledge, personal or acquired through research, of the Opponent's HOUSTON'S restaurants in the United States.

- Although the advertorial in the *Journal de Montréal* is not intended to promote the Opponent's HOUSTON'S restaurants, the fact remains that it refers to the HOUSTON'S restaurants in the United States. To that effect, I reiterate that the article states the following: [TRANSLATION] "Since 1977, some fifty restaurants have come into operation, from San Francisco to Manhattan and from Miami to Chicago". It is open to me to take judicial notice of the substantial circulation in Canada of a newspaper of a major Canadian city [see *Northern Telecom Ltd. c. Nortel Communications Inc.* (1987), 14 C.I.P.R. 104 (C.O.M.C.)]. I am of the opinion that it is reasonable to conclude that the article in the *Journal de Montréal* could have had an effect on Canadian consumers' knowledge of the Opponent's HOUSTON'S restaurants in the United States.
- It seems to me that *Consumer Reports Canada* magazine [see § 36 of my decision] is intended for an audience that includes Canadian consumers. Although I have no evidence of the extent of this magazine's circulation in Canada, in my view it is reasonable to conclude that the article published in this magazine in July 2006, praising the Opponent's HOUSTON'S restaurants, could have had an effect on the HOUSTON'S brand's reputation with Canadian customers.
- Since the Applicant has not challenged the substance of the conversation between Mr. Segal and the employee at the Toronto restaurant in February 2006 [see § 37 of my decision], it must be concluded that the employee also incorrectly associated the Applicant's restaurant with the Opponent's HOUSTON'S restaurants.
- In *Bojangles*, the Court rejected an employee's affidavit that stated his opinion on the awareness of the mark and was essentially a summary of other employees' affidavits on the matter of Canadian clientele. Nonetheless, the Court emphasized

that it noted no major deficiencies in the other employees' affidavits. In this case, neither Mr. Florczak nor Ms. Normal gives an opinion on the knowledge that their restaurants' Canadian clientele had of the HOUSTON'S mark. I see no reason to doubt their statements regarding the significant, or at least non-negligible, proportions of customers who are Canadian or from Canada who make up the clientele of the restaurants under their respective supervision [see § 29 and § 31 of my decision]. I would add that the substance of the above-mentioned email dated February 4, 2006, corroborates Ms. Norman's statement that the clientele of the HOUSTON'S restaurants in Florida includes customers who are Canadian or from Canada. The same applies to Mr. Segal's statement that he dined at a HOUSTON'S restaurant while on vacation in Florida [see § 36 and § 38 of my decision].

- In *Bojangles*, the applicant had adduced photographs of signs *placed along highways*, probably those used by Canadians travelling to the United States, advertising the mark. Besides noting that customers travelling by car are inundated by advertising, the Court noted that that *many signs were collages of advertisements* and that *some were difficult to read*. Consequently, the Court was not satisfied that the signs advertising the mark had a noteworthy effect on the mark's reputation with Canadian customers. In the case to be decided, the photographs filed in evidence [see § 17 of my decision] are photographs of signs *located outside the restaurants* of the Opponent, showing *only and visibly* the mark HOUSTON'S. As a result, I am of the opinion that the evidence in this case shows that the signs could have had an effect on the knowledge that Canadians travelling in the United States had of Opponent's HOUSTON'S restaurants.

[90] What is more, the evidence in this case shows that, owing to their knowledge of the Opponent's HOUSTON'S restaurants, Canadians mistakenly associated the Applicant's restaurants with the Opponent. It should be reiterated that the Applicant does not deny the cases of confusion discussed above; rather, it admits to them. However, according to the Applicant's representations, these cases of confusion are "minor and insignificant in number" because of the continued use of the Marks since 1998. I have difficulty understanding how these representations by the Applicant support its case. To the contrary, it seems to me that the recurring instances of

confusion over the years, despite the continued use of the Marks since 1998, only support the conclusion that the Opponent's mark HOUSTON'S was sufficiently known in Canada at the relevant date to negate the distinctiveness of the Marks.

[91] Although none of the evidence discussed above is determinative on its own, I am of the opinion that, in this case, this evidence, considered together, allows me to conclude that the Opponent's mark HOUSTON'S was sufficiently known in Canada at the relevant date to support the first branch of the ground of opposition predicated on the non-distinctiveness of the Marks.

[92] As a result of the above, the Applicant has the onus of satisfying the Registrar that there is no likelihood of confusion between the Marks and the Opponent's mark HOUSTON'S.

[93] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act states that the 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.

[94] In determining whether trade-marks are confusing, the Registrar must have regard to all the surrounding circumstances, including those listed at s. 6(5) of the Act. This is not an exhaustive list, and different weight may be given to each of these circumstances [see *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.) and *Masterpiece Inc. v. Alavida Lifestyles Inc.*, 2011 SCC 27 (*Masterpiece*) for a thorough discussion of the general principles governing the test for confusion]. As the Supreme Court of Canada recently reminded us in *Masterpiece*, "the degree of resemblance . . . is the statutory factor that is often likely to have the greatest effect on the confusion analysis".

[95] The Applicant contends that the use of the word "Houston", rather than "Houston's", in combination with either "steaks" and "ribs" or "steaks" and "côtes levées" distinguishes the Marks from the Opponent's mark HOUSTON'S in terms of sound, appearance and ideas suggested. I disagree. Indeed, although the marks at issue are not identical, they are very similar. The descriptors "steaks", "ribs" and "côtes levées" in no way distinguish the Marks from the Opponent's mark HOUSTON'S, especially since the Opponent serves those same items in its

restaurant [see Exhibit “C” of the Viers affidavit]. In addition, despite the Applicant’s allegations that there are differences in the concepts of the restaurants, it is clear that the nature of the parties’ services and businesses is identical.

[96] To conclude my analysis of the circumstances of the case, I note that instances of confusion as to the source of the Services associated with the Marks is the only additional circumstance of relevance in this case. The state of the marketplace in Canada is not a relevant additional circumstance, since the presence of registrations No. TMA407,273 and No. TMA408,131 in the Register is insufficient, in itself, to establish that trade-marks containing the word “Houston” were commonly used in association with restaurant services at the relevant date. With regard to the printout from the Web site for HOUSTON PIZZA, suffice it to say that, at the very most, it shows the use of the word “Houston” in red in that mark after the relevant date [see § 54 of my decision].

[97] Last, the Applicant submits in its written argument that, on the United States register of trade-marks, the mark HOUSTON’S coexists with four other trade-marks containing the word “Houston”. Yet, besides the fact that the Applicant has made no representations as to the relevance of the state of the United States register in these proceedings, the state of that register has not been entered in evidence by way of an affidavit or statutory declaration.

[98] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. Having examined all of the circumstances of the case, I conclude that there is a reasonable likelihood that the Marks will prompt the consumers to think that the Services come from the same source as the restaurant services associated with the Opponent’s mark HOUSTON’S or that the Services are, in one way or another, associated with the Opponent. Consequently, I conclude that the Applicant has failed to meet its legal onus of showing, on a balance of probabilities, that on September 25, 2007, the Marks were not confusing with the Opponent’s mark HOUSTON’S.

[99] In light of the above, I accept the first branch of the ground of opposition predicated on the non-distinctiveness of the Marks.

Decision

[100] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the applications for registration Nos. 1,319,527 and 1,319,528 filed pursuant to s. 38(8) of the Act.

Céline Tremblay
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Certified true translation
Sarah Burns