

IN THE MATTER OF AN OPPOSITION by Kusha, Inc. to application  
No. 891,510 for the trade-mark AFTAB filed by Top Star Distribution Group Inc.  
(now standing in the name of Rex, Inc.)

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On Sept. 8, 1998, the applicant, Top Star Distribution Group Inc. (“Top Star”), filed an application to register the trade-mark AFTAB based on use in Canada since 1990. The application covers the following wares: “rice”. The application was advertised for opposition purposes on June 16, 1999.

The opponent, Kusha, Inc. (“Kusha”), filed a statement of opposition on Nov. 15, 1999. The first ground of opposition is that the application does not comply with s.30(b) of the *Trade-Marks Act*, R.S.C. 1985, c. T-13 (“the Act”) in that the applicant has not used the trade-mark since the date stated in the application, namely 1990, in association with the wares described in the application. As its second ground, the opponent submits that the application does not comply with s.30(i) of the Act in that the applicant could not have been satisfied that it was entitled to use the trade-mark. The opponent’s third ground of opposition is that the applicant is not the person entitled to registration having regard to s.16(1) of the Act because at the alleged date of first use, the applicant’s trade-mark was confusing with the trade-marks AFTAB and AFTAB & Design, previously used and/or made known in Canada by the opponent, and/or the opponent’s predecessor-in-title, in association with rice. As its final ground, the opponent argues that the applicant’s mark is not distinctive within the meaning of s.2 of the Act in that the trade-mark does not distinguish nor is adapted to distinguish the applicant’s wares from the wares of others, and in particular the wares of the opponent.

The mark was assigned from Top Star to Rex, Inc. on March 4, 2000. The applicant filed and served a counter statement on April 10, 2000, in which it generally denied the allegations asserted by the opponent in its statement of opposition. As its evidence, the opponent submitted the affidavit of Mr. Sivoush Nayyeri and Mr. Tapas Pain. The applicant submitted a

statement that it did not wish to submit evidence. Only the opponent filed a written argument and an oral hearing was not held.

### **Opponent's Evidence**

The Pain affidavit serves to introduce into evidence two Corporate Profile Reports, certified as true copies of the data as recorded on the Ontario Business Information System at the Companies Branch of the Ministry of Consumer and Commercial Relations. The report attached to the Pain affidavit as Exhibit A indicates that the applicant, Top Star, was not incorporated until Dec. 9, 1994. The report attached as Exhibit B to Mr. Pain's affidavit shows that the applicant's assignee, Rex, Inc., was not incorporated until September 17, 1998.

Mr. Nayyeri's affidavit shows that the AFTAB and Design mark was registered in the U.S. under Regn. No. 1,323,540 on April 13, 1993. Although the original registration stood in the name of Basmati Rice Imports Inc., the mark was eventually assigned to Aromati Foodstuff Trading who later entered into a license agreement with the opponent to permit it to use the AFTAB and Design mark in Canada and the U.S. By way of an assignment dated November 18, 1998, the mark AFTAB and Design was assigned to the opponent. On May 4, 1998, the opponent applied for a Canadian registration for AFTAB and Design in association with rice (Appln. No. 1,014,586), claiming a date of first use in Canada since at least as early as August, 1998.

Mr. Nayyeri states that the opponent has used or is deemed to have used the AFTAB and Design mark in the U.S. in association with rice continuously from February 25, 1993 to the date of his affidavit (i.e. December 5, 2000), and in Canada continuously from at least as early as 1997 until the same date. At paragraph 12 of his affidavit, he provides yearly annual sales

figures in Canada and the U.S. from 1997 until 1999, totalling over \$500,000 U.S. He further states that all bags of AFTAB and Design rice sold by the opponent in Canada by the opponent (through its distributors) bore the AFTAB and Design trade-mark. Attached as Exhibit G to his affidavit are photographs of rice bags used to package rice sold in Canada by the opponent through its distributors. In addition to providing breakdowns of annual sales in Canada by each of the opponent's Canadian distributors (i.e. Marche Akhavan and Sigma Consulting International Incorporated), Mr. Nayyeri attached as Exhibits H and I to his affidavit invoices for the years 1997 to 1999 and 1998 to 2000, showing sales from the opponent to these distributors.

Mr. Nayyeri explains at paragraph 20 of his affidavit that in 1997, by way of an oral distributorship agreement (that ended February 1998), Top Star became a distributor in Canada for Kusha for rice and other products. However, Top Star was explicitly denied permission to act as a distributor of AFTAB brand rice in Canada. Mr. Nayyeri further asserts that at least as early as 1997, Top Star was made aware that Kusha was selling AFTAB brand rice in Canada and that AFTAB & Design was a trade-mark of Kusha in Canada and the U.S. He maintains that neither Top Star, Rex, Inc. nor their successors or assigns were ever authorized by Kusha to advertise, use or distribute products bearing the AFTAB trade-mark. Finally, Mr. Nayyeri states that since Kusha's distributors sell AFTAB brand rice to the Iranian community (which he asserts is small and intimate) the opponent's distributors would know if AFTAB brand rice has been or is being sold by Rex Inc. or Top Star or other parties not licensed by Kusha. Such distributors would have notified Kusha of any sales by such parties and as of the date of his affidavit, none have done so.

### **Grounds of Opposition**

The first ground of opposition is based on s.30(b) of the Act, the opponent alleging that

the trade-mark has not been used by the applicant in Canada since 1990, in association with rice. While the legal burden is on the applicant to show that its application complies with Section 30 of the 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. v. Seagram Real Estate Ltd., 3 C.P.R. (3d) 325 at 329-330; and John Labatt Ltd. v. Molson Companies Ltd., 30 C.P.R. (3d) 293). The evidential burden on the opponent with respect to the s.30(b) ground in particular, however, is a light one (see Tune Masters v. Mr. P.'s Mastertune, 10 C.P.R. (3d) 84 at 89).

From a review of the exhibits attached to the Pain affidavit, it would appear that the applicant did not exist until December 9, 1994, and its assignee did not exist until September 17, 1998. Therefore, in the absence of a named predecessor-in-title, neither the applicant nor its assignee could have used the trade-mark prior to the 1990 claimed date of first use.

In view of the above, I find that the opponent has met its evidential burden respecting the first ground of opposition. It was therefore incumbent on the applicant to evidence its date of first use and continuous use of its mark since its claimed date of first use. As the applicant has not filed any evidence, the opponent's first ground of opposition is successful.

Considering next the ground of opposition based on Section 30(i) of the Act, the opponent has alleged that, as of the filing date of the present application, the applicant could not have been satisfied that it was the person entitled to use the trade-mark AFTAB in Canada in association with the applied for wares. However, the opponent did not even allege that the applicant may have been aware of the opponent's mark. Further, even were the applicant aware of the opponent's trade-mark prior to filing the present application, no evidence has been adduced to show that the applicant could not properly have been satisfied that it was entitled to

use its trade-mark AFTAB in Canada in association with “rice” on the basis, *inter alia*, that its trade-mark is not confusing with the opponent’s mark. Thus, the success of this ground is contingent upon a finding that the applicant’s trade-mark is confusing with the opponent’s trade-mark, such that the applicant is not the person entitled to registration, or that the applicant’s trade-mark is not distinctive, as alleged in those grounds (see **Consumer Distributing Co. Ltd. v. Toy World Ltd.**, 30 C.P.R. (3d) 191 at 195; and **Sapodilla Co. Ltd. v. Bristol-Myers Co.**, 15 C.P.R. (2d) 152 at 155). I will therefore consider the remaining grounds of opposition relied upon by the opponent.

Both of the remaining grounds of opposition turn on the issue of confusion between the applicant’s AFTAB mark and the opponent’s AFTAB & Design mark, as previously used and made known in Canada in association with rice. While the material date for assessing the s.16(1) ground is normally the applicant’s date of first use, since the opponent successfully challenged the applicant’s claimed date of first use under the s.30(b) ground of opposition, I will consider the material date for assessing the Section 16(1) ground of opposition in the present case to be September 8, 1998, the applicant’s filing date (see **American Cyanamid Co. v. Record Chemical Co. Inc.**, 6 C.P.R. (2d) 278 (T.M.O.B.); **Everything for a Dollar Store (Canada) Inc. v. Dollar Plus Bargain Centre Ltd.**, 86 C.P.R. (3d) 269 at 282. The material date for assessing the non-distinctiveness ground is the date of opposition (i.e. November 15, 1999). In the circumstances of this case, nothing turns on which material date is chosen to assess the issue of confusion.

In applying the test for confusion set forth in s.6(2) of the Act, consideration is to be given to all of the surrounding circumstances, including, but not limited to, the following specifically set forth in s.6(5) of the Act: (a) the inherent distinctiveness of the trade-marks and the extent to which the trade-marks have become known; (b) the length of time the trade-marks

have been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. The weight to be given to each relevant factor may vary, depending on the circumstances (Clorox Co. v. Sears Canada Inc. (1992), 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.)). While the opponent has an initial evidential burden to provide facts in support of its grounds of opposition, the Registrar must bear in mind that the legal burden is on the applicant to establish that there would be no reasonable likelihood of confusion between the trade-marks of the parties as of the material dates noted above.

With respect to s.6(5)(a) of the Act, both the applicant's and the opponent's marks are inherently distinctive, neither having any readily apparent meaning that relates to the nature of the respective wares. The extent to which the trade-marks have become known favours the opponent as the opponent has shown use of its mark in Canada since at least as early as 1997 while the applicant has not shown any use of its mark in Canada. The length of time the marks have been in use, s.6(5)(b), therefore also favours the opponent.

With respect to s.6(5)(c) and s.6(5)(d) of the Act, since the wares of the parties are identical, the parties' channels of trade would presumably overlap. As for s.6(5)(e), the marks of the parties are also identical in sound and in ideas suggested. The marks are almost identical in appearance as well, the only difference being that the opponent's mark has been used as a design mark as well as a word mark.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. I have also considered that the applicable standard of proof is the balance of probabilities. In view of my conclusions above, and in particular to the inherent

distinctiveness of both parties' marks and the fact that the marks are identical for identical wares that would likely travel through the same channels of trade, I find that the applicant has failed to meet the legal burden upon it in respect of the issue of confusion. Consequently, the applicant is not the person entitled to registration of the AFTAB mark and the applied for mark is also not distinctive. The remaining grounds of opposition are therefore successful.

Accordingly, and with the authority delegated to me under s. 63(3) of the Act, I refuse the applicant's application pursuant to s.38(8) of the Act.

DATED AT HULL, QUEBEC, THIS 5th DAY OF December, 2002.

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