

IN THE MATTER OF AN OPPOSITION
by Paws and Claws Pet Foods & Accessories Inc.
to application No. 632,827
for the mark PAWS & CLAWS & Design
filed by The Falwyn Investors Group Limited

On May 24, 1989, the original applicant namely, Shadow Investments Corporation ("Shadow"), filed an application to register the mark PAWS & CLAWS & Design, illustrated below, based on use of the mark in Canada since at least as early as July 1, 1987.

The application was subsequently amended to disclaim the right to the exclusive use of PET NUTRITION CENTER apart from the mark as a whole, and to specify the applicant's services as follows:

the operation of a business dealing
in retail sales of pet foods and pet
supplies, and the provision of
information relating to pets.

The file record shows that the subject mark was assigned by Shadow Investment Corporation to the present applicant namely, Falwyn Investors Group Limited ("Falwyn"), on January 10, 1990. The application was advertised for opposition purposes on June 6, 1990.

The opponent, Paws and Claws Pet Food & Accessories Inc., filed a statement of opposition on October 9, 1990, a copy of which was forwarded to the applicant on November 5, 1990. The opponent alleged that:

(a) The applicant did not use the mark since as early as July 1, 1987. Shadow Investment Corporation was incorporated on July 17, 1987 and consequently the applicant cannot claim use of the mark prior to July 17, 1987.

(b) The applied for mark is not distinctive of the services of the applicant in view of a number of other businesses offering similar or identical services in association with trade-marks or trade-names which incorporate the phrase "PAWS & CLAWS".

The applicant filed and served its counter statement on December 4, 1990. The counter statement alleges that the applicant used the subject mark PAWS & CLAWS & Design since July 1, 1987 through its predecessors in title, and denies the opponent's allegation that the applied for mark is not distinctive.

The applicant Falwyn subsequently revised its application to name Shadow Investments Corporation (the original applicant) and Corey Samuel c.o.b. as Paws & Claws Pet Nutrition Center as Falwyn's predecessors in title: see the Office letter dated February 20, 1991 accepting the amendment.

Soon thereafter, on March 5, 1991, the opponent requested leave to amend paragraph (a), above, of its statement of opposition. The amended pleadings allege that neither the applicant nor its predecessors in title used the applied for mark in Canada since July 1, 1987. The amended pleadings also delete reference to the date of incorporation of the original applicant Shadow Investments Corporation. Leave to amend was granted on July 10, 1992.

The opponent's evidence consists of the affidavits of Laurie A. Soutar (two affidavits), Vera Juliana Kennedy, Gerald Delbert Bateman, and Nestor Andrew Petriw. The applicant's evidence consists of the affidavit of Corey Samuel. None of the affiants were cross-examined on their testimony. Both parties filed a written argument, however, only the opponent was represented at an oral hearing.

Ms. Soutar's evidence may be summarized as follows. On or

about December 1, 1988, she commenced a business under the name LAURIE'S PAWS & CLAWS, in Kitchener, Ontario, selling pet supplies and providing dog grooming services. The business has been listed in the business telephone directory for Kitchener in each of the years 1989, 1990, 1991, and has about "1200 regular customers in Ontario."

Ms. Kennedy's evidence may be summarized as follows. On or about October 1, 1983, she began a business called PAWS & CLAWS PANTRY to sell pet foods and pet supplies. The business has been in continuous operation in North Vancouver, British Columbia since then. A photograph attached as exhibit 1 to Ms. Kennedy's affidavit shows the trade-name PAWS & CLAWS PANTRY prominently displayed above the entrance to the business premises. The business name has been listed in the telephone directory for Vancouver, and in the business telephone directory for North and West Vancouver, in 1984-1991 inclusive.

Mr. Bateman's evidence may be summarized as follows. On or about November 1, 1988, he purchased a business called PAWS & CLAWS GROOMING located in Vancouver, British Columbia. The business provides dog grooming services and to a limited extent sells pet supplies such as collars, leads, shampoos and flea sprays. The business has "some 1,300 to 1,400 regular customers". The trade-name PAW & CLAWS GROOMING is prominently displayed on the front window of the business premises (see exhibit 1 to Mr. Bateman's affidavit).

Mr. Petriw is intimately involved with the affairs of the opponent. His evidence may be summarized as follows. On November 24, 1988, Mr. Petriw and his partner James McGuire obtained registration, in Alberta, of the trade-name PAWS & CLAWS for their business partnership located in Edmonton. Soon after, on December 6, 1988, the two partners formed an Alberta company named PAWS & CLAWS PET FOODS & ACCESSORIES INC. (the opponent herein). Since

then, the phrase PAWS & CLAWS (typically accompanied by paw prints) has been used by Trident Pet Supplies Ltd. ("Trident", of which Mr. Petriw is President) and by Triple J Kennel Supplies Ltd. ("Triple J", of which Mr. McGuire is President) in association with retail pet food and supply stores operating in Alberta. Four such stores have been operating in Alberta since December, 1988; three are in Edmonton and another is in St. Albert. Four more stores were opened in Edmonton during 1989 and 1990. Three of the stores in Edmonton are owned and operated by Trident. The phrase PAWS & CLAWS is prominently displayed above the entrance to all of the above mentioned stores and is prominently displayed in advertising and promotion by Trident and Triple J (although it appears that more of the advertising and promotion focuses on Trident stores). Advertising and promotion includes direct mailings, about eight times a year, reaching between 25,000 and 125,000 households in Edmonton, and television advertising. The phrase PAWS & CLAWS appears in all phases of Trident's business including business cards, letterheads, envelopes, and facsimile cover sheets. Although the opponent has not revealed the dollar value of sales or advertising by Trident (or Triple J), I am prepared to infer from a fair reading of Mr. Petriw's affidavit as a whole, and in the absence of cross-examination, that Trident's trade-name PAWS & CLAWS acquired some reputation in Edmonton by the end of 1990.

Mr. Samuel's evidence, filed on behalf of the applicant, may be summarized as follows. Mr. Samuel is President of the applicant Falwyn, as well as sole shareholder of Falwyn and Shadow. Prior to the incorporation of Shadow, and since at least as early as July 1, 1987, Mr. Samuel personally carried on the business of selling pet foods and supplies under the subject mark PAWS & CLAWS & Design. On a fair reading of Mr. Samuel's affidavit, and without the benefit of cross-examination, I understand Mr. Samuel to assert that he assigned the subject mark to Shadow on July 17, 1987. As mentioned earlier, Shadow subsequently assigned the subject mark PAWS & CLAWS & Design to Falwyn. About 80% of the applicant's

business comprises the sale of pet food (for cats, dogs, fish, hamsters, gerbils, rabbits, and birds), and the remaining 20% consists of sales of other pet products, such as leashes, collars and toys. About 7% of the opponent's sales are for privately labelled products sold under the mark PAWS & CLAWS, such as shampoos for dogs and cats, cat litter, and cat food. As of May 14, 1992 (the date of Mr. Samuel's affidavit), the applicant was operating eight retail stores in the following locations in Ontario: Toronto, Brantford, Mississauga, Pickering (2 stores), Ajax, Whitby, and Oshawa. The applied for mark PAWS & CLAWS & Design is prominently displayed on signs above the entrance to the aforementioned stores (see exhibit D to Mr. Samuel's affidavit). There are apparently numerous signs inside the store displaying the applied for mark or variations of it. The applied for mark, or variations of it, are also displayed on various stationery items, on plastic carrying bags and on labels. The applicant's gross sales increased from about \$350,000 in 1987 to \$4 million for each of the years 1990 and 1991. Total gross sales to the end of 1991 have been about \$11.5 million. The applicant's advertising under its mark amounts to about 1.25% of gross sales in any given year.

The opponent has not filed any evidence to support its allegation that the applicant did not use the applied for mark since the date of first used claimed in the subject application namely, July 1, 1987. In any event, Mr. Samuel's uncontradicted and unchallenged testimony is that he used the subject mark in his own right before assigning the mark to Shadow. Accordingly, the first ground of opposition is rejected.

The opponent's evidence of use of the trade-names PAWS & CLAWS, LAURIE'S PAWS & CLAWS, PAWS & CLAWS PANTRY, and PAWS & CLAWS GROOMING, by various parties, suffices to put into issue whether the applied for mark PAWS & CLAWS & Design is distinctive of the applicant's services: see Joseph E. Seagram & Sons v. Seagram Real Estate Ltd. (1984), 3 C.P.R.(3d) 325 at 329-30 (TMOB), and John

Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R.(3d) 293 at 297-300 (F.C.T.D.). Consequently, the onus or legal burden is on the applicant to show that the applied for mark is adapted to distinguish or actually distinguishes its services from those of others throughout Canada: see Muffin Houses Inc. v. The Muffin House Bakery Ltd. (1985), 4 C.P.R.(3d) 272 at pp. 276-278 (TMOB). In this context, the presence of a legal burden means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against that the applicant. The material time for considering the circumstances respecting the issue of distinctiveness is as of the filing of the opposition, in this case October 9, 1990: 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 Corp. v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.). Further, I am permitted to take into account evidence of all the surrounding circumstances including, for example, sales and advertising by various parties under the above mentioned trade-names, up to the material date: see Castle & Cooke, Inc. v. Popsicle Industries Ltd. (1990), 30 C.P.R.(3d) 158 (TMOB). In this regard, the applicant, in its written argument, submits that it would be unfair to allow the opponent to rely on "infringing use" which began after the applicant commenced use of its mark PAWS & CLAWS & Design. I do not accept this submission. There is nothing in the evidence to suggest that Trident and Triple J, or others, acted improperly or other than in good faith in adopting and using marks or trade-names resembling the applied for mark.

The evidence establishes that the applied for mark PAWS & CLAWS & Design was distinctive of the applicant's services in various areas of southern Ontario as of October 9, 1990. However, given Trident's and Triple J's operations and advertising under the trade-name PAWS & CLAWS in Edmonton beginning in 1988, I find that the applied for mark would not have distinguished the applicant's services from Trident's and Triple J's services in the Edmonton

area at the material date. In so finding, I have considered that the component PAWS & CLAWS is the distinctive and the most dominant portion of the applied for mark. In the circumstances of this case, where Trident's and Triple J's businesses are essentially the same as the applicant's business, I have concluded that the visual difference between the applied for mark and Trident's and Triple J's trade-name PAWS & CLAWS would not serve to distinguish between the applicant's services and the two above mentioned businesses. I am also uncertain whether the applied for mark PAWS & CLAWS & Design was distinctive of the applicant's services in Kitchener or in the Vancouver area given the testimony of Ms. Soutar, Ms. Kennedy and Mr. Bateman concerning their businesses operating under trade-names similar to the applied for mark.

In view of the above, the applicant's application is refused.

DATED AT HULL, QUEBEC, THIS 31st DAY OF May, 1994.

Myer Herzig,
Member,
Trade-marks Opposition Board