

The Record

[5] The Opponent filed its statement of opposition on May 16, 2014. The Applicant then filed and served its counter statement on September 10, 2014.

[6] In support of its opposition, the Opponent filed a certified copy of its application No. 1,544,452 for the trade-mark STK. In support of its application, the Applicant filed a certified copy of its application No. 1,478,619 for the trade-mark STKOUT, of its application No. 1,558,888 for the trade-mark STKOUT & Design, and of its registration No. TMA722,923 for the trade-mark STK. The Opponent further filed a certified copy of the Federal Court decision in *Gouverneur Inc v The One Group LLC* 2015 FC 128 as its reply evidence.

[7] Both parties filed a written argument and were represented at a hearing.

The Parties' Respective Burden or Onus

[8] The Applicant bears the legal onus of establishing, on a balance of probabilities that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298].

Is the Mark Distinctive of the Applicant's Services?

[9] The Opponent alleges that the Mark is not distinctive under section 2 of the Act as it does not distinguish, nor is it adapted to distinguish, the Applicant's services in view of the use of the following trade-marks and trade-names by others in Canada:

STK RESTAURANT AND BAR	STK RESTO LOUNGE	
		

[10] In order to meet its initial burden with respect to the non-distinctiveness ground of opposition, the Opponent was required to show that at least one of the alleged trade-marks or trade-names had become known sufficiently in Canada, as of the filing date of the statement of opposition, that is May 16, 2014, to negate the distinctiveness of the Mark [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC); *Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 (FCTD); and *Bojangles' International LLC v Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (FC)]; it has not done so.

[11] In the absence of evidence of use and/or reputation of any of these trade-marks and/or trade-names, the Opponent has not met its initial evidential burden with respect to the non-distinctiveness ground.

[12] Accordingly, the non-distinctiveness ground of opposition is dismissed.

Was the Applicant the person entitled to registration of the Mark?

[13] The Opponent alleges that the Applicant is not the person entitled to registration of the Mark pursuant to sections 16(2)(b) and 16(3)(b) of the Act, on the ground that it is confusing with the Opponent's trade-mark STK for which an application had been previously filed (no. 1,544,452) in association with "Services de restaurant; exploitations de salles de réunion et banquets; Lounge; Service de bar; Bar-salon".

[14] The material date for considering these grounds of opposition is the filing date of the subject application, namely November 6, 2012.

[15] At the hearing, the Applicant submitted that the Opponent had not met its initial evidential burden for the non-entitlement grounds. In particular, the Applicant contended that the Opponent has not shown that its applied for mark STK is a trade-mark within the meaning of the Act, in that it is to be used for the purpose of distinguishing or so as to distinguish its services from those of the others. In this regard, the Applicant refers to the various trade-marks and trade-names listed in the Opponent's statement of opposition under the non-distinctiveness ground. As I understand it, the Applicant contends that if the Opponent is of the view that the Mark cannot serve to distinguish the Applicant's services from those of the others whose trade-marks and

trade-names include the term STK, then the Opponent's own applied for trade-mark STK also cannot serve to distinguish its services from those of the others, therefore it cannot function as a trade-mark.

[16] I disagree. Setting aside the probative value of allegations made in a statement of opposition, the question of whether the Opponent's applied for trade-mark STK, that is the subject of application No. 1,544,452, is to be used or can be used for the purpose of distinguishing or so as to distinguish its services from those of the others is not at issue in determining whether the Opponent has met its initial evidential burden for sections 16(2)(b) and 16(3)(b) grounds of opposition. The Opponent needs only to establish that its alleged application was filed prior to the filing date of the Applicant's application, and that it was not abandoned at the date of advertisement of the application for the Mark [section 16(4) of the Act].

[17] I have exercised my discretion to check the Trade-marks Office records to confirm the existence of the Opponent's pending application No. 1,544,452 [see *Royal Appliance Mfg Co v Iona Appliances Inc* (1990), 32 CPR (3d) 525 (TMOB) at 529]. I note that the Opponent's application was filed on September 21, 2011, which is prior to the filing date of the subject application, namely November 6, 2012. As the Opponent's application was pending as of the date of advertisement of the subject application, namely December 18, 2013, I am satisfied that the Opponent has discharged its initial burden with respect to the sections 16(2)(b) and 16(3)(b) grounds of opposition.

[18] As the Opponent has satisfied its initial burden, the Applicant must therefore establish, on a balance of probabilities, that there was not a reasonable likelihood of confusion between its Mark and the Opponent's pending trade-mark as of November 6, 2012.

[19] For the reasons that follow, I accept the sections 16(2)(b) and 16(3)(b) grounds of opposition.

[20] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that 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 goods or

services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

[21] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the goods, 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. These enumerated factors need not be attributed equal weight [see *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al, supra*; and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) for a thorough discussion of the general principles that govern the test for confusion].

[22] I will now turn to the assessment of the section 6(5) factors.

Section 6(5)(a) - the inherent distinctiveness of the trade-marks and the extent to which they have become known

[23] The overall consideration of the section 6(5)(a) factor involves a combination of inherent and acquired distinctiveness of the parties' trade-marks.

[24] I assess both parties' trade-marks to have the same degree of inherent distinctiveness in that STK is not a strong trade-mark as letters lack inherent distinctiveness and are not entitled to a wide ambit of protection [see *GSW Ltd v Great West Steel Industries Ltd* (1975), 22 CPR (2d) 154 (FC)]. Moreover, to the extent that the average consumer would sound the trade-marks as "steak", they would also be suggestive of restaurant services involving steaks.

[25] The strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use. However, neither party provided any evidence of promotion or use of their marks in Canada.

[26] In view of the foregoing, the section 6(5)(a) factor does not favour either party.

Section 6(5)(b) - the length of time the trade-marks have been in use

[27] The application for the Mark is based on use and registration abroad, as well as proposed use in Canada, and there is no evidence that the Mark has been used in Canada to date. Similarly, the Opponent's trade-mark is also based upon proposed use in Canada to which there is no evidence of use to date.

[28] In view of the foregoing, the section 6(5)(b) factor does not favour either party.

Sections 6(5)(c) and (d) - the nature of the services, trade and business

[29] Sections 6(5)(c) and (d) factors involve the nature of the services, trade and business.

[30] The Opponent's trade-mark STK is applied for use in association with restaurant services, operation of banquet halls and meeting rooms, lounge, bar services, and cocktail lounge. Similarly, the Mark is applied for use in association with restaurant services, bar services, café services, carry-out and take-out restaurants, and cocktail lounge, and used and registered in the United States in association with restaurant and bar services.

[31] There is clear overlap between the parties' services as both pertain to restaurant and bar services. In addition, neither the Opponent's application nor the subject application contains any restriction on the parties' channels of trade. There is no evidence of actual or probable type of business or trade intended by the parties. Given that the parties' applied for services clearly overlap, for the purpose of assessing confusion, I conclude that there is potential for overlap between the parties' channels of trade.

[32] Accordingly, these two factors clearly favour the Opponent.

Section 6(5)(e) - the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[33] When considering the degree of resemblance, the law is clear that the trade-marks must be considered in their totality. The parties' trade-marks are identical in appearance, sound and in

ideas suggested to the extent that the term STK suggests “steaks” in the context of the services in question.

[34] Accordingly, this factor significantly favours the Opponent.

Additional surrounding circumstances

[35] In its written argument and at the hearing, the Applicant submits that the Registrar should have regards to the Applicant’s prior rights in the trade-mark STK, in the form of its registration No. TMA722,923 and of its applications for related trade-marks STKOUT and STKOUT & Design under application Nos. 1,478,619 and 1,558,888, in determining the likelihood of confusion between the parties’ trade-marks in the present proceeding. In this regard, the Applicant submits that it is the Opponent’s trade-mark that is confusing with the Applicant’s STK trade-marks, not the reverse.

[36] The Applicant is the owner of the registration No. TMA722,293 for the trade-mark STK for “bar services; restaurants”; a registration that is based on use and registration in the United States of America. The registration was the subject of a section 45 proceeding that was initiated by the Opponent. In *Gouverneur Inc v The One Group LLC*, 2014 TMOB 18, the Registrar maintained the registration. On appeal, the Registrar’s decision was set aside by the Federal Court (*Gouverneur Inc v The One Group LLC*, 2015 FC 128), but was then reinstated by the Federal Court of Appeal (*One Group LLC v Gouverneur Inc*, 2016 FCA 109). No leave for appeal to the Supreme Court of Canada has been filed to date.

[37] The Applicant is also the owner of application Nos. 1,478,619 and 1,558,888 for the trade-marks STKOUT and STKOUT & Design, for similar services including bar and restaurant services, as well as café and cocktail lounge services. Those applications were the subjects of separate opposition proceedings initiated by the Opponent. In *Gouverneur Inc v The One Group LLC*, 2015 TMOB 142 and *Gouverneur Inc v One Group LLC*, 2015 TMOB 132, the Registrar rejected the oppositions and those decisions were not appealed.

[38] Even so, the fact that the Applicant is the owner of registration No. TMA722,293 for an identical trade-mark and of application Nos. 1,478,619 and 1,558,888 for related trade-mark does

not negate the fact that the Opponent has filed an application prior to that of the Mark for a confusingly similar trade-mark. Any rights that the Applicant might have in its other trade-mark registration and applications do not translate into securing subsequent registrations of identical or related trade-marks, especially when there is no evidence of use of any of the trade-marks on record.

[39] It is well established that while section 19 of the Act gives the owner of a registration the exclusive right to the use of a trade-mark with respect to the goods and services covered by the registration, it does not necessarily follow that the registered owner is given an automatic right to obtain any further registrations no matter how closely related they may be to earlier registrations [see *Coronet-Werke Heinrich Schlerf GmbH v Produits Ménagers Coronet Inc* (1984), 4 CPR (3d) 108 (TMOB) at 115].

[40] In its written argument, the Applicant also submits that it is not in the interests of justice to decide the relative entitlement between the Opponent's pending application and that of the Mark in this opposition, before the relative entitlement of the Opponent's pending application is determined vis-à-vis the Applicant's registration and its earlier applications as "it is exceedingly unlikely that [the Opponent's application] on which it bases this opposition will ever be allowed or issue to registration".

[41] The validity of the Opponent's pending application is not at issue in the present proceeding. Moreover, it was decided in *Anheuser-Busch Inc v Carling O'Keefe Breweries of Canada Ltd* (1982), 69 (2d) 136 (FCA) that the Registrar did not have the power to stay opposition proceedings. The Applicant will have the opportunity to oppose the Opponent's pending application under section 38 of the Act if the application does proceed to advertisement at a later time.

[42] In view of the foregoing, I do not consider the Applicant's earlier registration and applications to be a significant surrounding circumstance.

Conclusion in the likelihood of confusion

[43] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. Having considered all of the surrounding circumstances including the

parties' identical trade-marks, the clear overlap between the parties' respective restaurant and bar services, and the potential for overlap in the channels of trade, I am not satisfied that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the two parties' STK trade-marks.

Disposition

[44] In view of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

Pik-Ki Fung
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

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CANADIAN INTELLECTUAL PROPERTY OFFICE
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