

IN THE MATTER OF AN OPPOSITION
by People's Drug Mart (B.C.) Ltd.
to application No. 544,374 for the
trade-mark PEOPLES DRUG MART filed
by Asklepios Pharmaceutical Co. Ltd.

On June 21, 1985, the applicant, Asklepios Pharmaceutical Co. Ltd., filed an application to register the trade-mark PEOPLES DRUG MART. The application is based on use in Canada since February of 1983 with "vitamins, antacids and cough medications" and on use in Canada since 1979 with the "operation of a retail pharmacy and a wholesale pharmacy." The application was amended to include a disclaimer to the words DRUG MART and was subsequently advertised for opposition purposes on March 12, 1986.

The opponent, People's Drug Mart (B.C.) Ltd., filed a statement of opposition on August 11, 1986, a copy of which was forwarded to the applicant on September 5, 1986. The first ground of opposition is that the application does not comply with the provisions of Section 30(b) of the Trade-marks Act because the applicant did not use the applied for trade-mark since the dates claimed. The second ground is that the application does not comply with the provisions of Section 30(i) of the Act in that the applicant could not have been satisfied that it was the person entitled to registration in view of (1) its awareness of the use of the trade-mark PEOPLE'S DRUG MART by the opponent and its predecessor in title and (2) licensed or permitted use of its own trade-mark prior to filing the present application.

The third ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(1) of the Act because, as of the applicant's claimed dates of first use, the applied for trade-mark was confusing with the trade-mark PEOPLES DRUG MART previously used and made known in Canada

...by the opponent and its members and its predecessor-in-title [sic], in association with wares and services identical to those in the opposed application.

The fourth ground of opposition is that the applied for trade-mark is not distinctive.

The applicant filed and served a counter statement generally denying the allegations in the statement of opposition. Paragraph 1(a) of the counter statement asserts that the applicant has used its trade-mark as claimed in the application and contains the following statement:

The applicant has licensed Asklepios Pharmaceutical (1983) Co. Ltd. and 559399 Ontario Limited to use the trade mark in association with the wares and services set out in the Registered User applications numbered 75302 and 75301 filed June 21, 1985.

As its evidence, the opponent filed the affidavits of Stewart Elgie, Nghia Truong, Jeffrey Mutter, Stanley Jung and Edward Melenka. The applicant did not file evidence. Neither party filed a written argument. However, an oral hearing was conducted at which both parties were represented.

At the oral hearing, the agent for the applicant requested that the statement of services in the application be amended to limit it to the operation of retail and wholesale pharmacies in the province of Ontario. I indicated that such an amendment could

not be accepted. Section 30(a) of the Act requires that the statement of services be phrased in ordinary commercial terms and does not contemplate the inclusion of any geographical restrictions. Furthermore, the Act as a whole contemplates the issuance of registrations that are national in scope apart from the limited exceptions in Sections 21(1) and 32(2) of the Act: see the opposition decision in Muffin Houses Incorporated v. The Muffin House Bakery Ltd. (1985), 4 C.P.R. (3d) 272. Thus, to permit a geographical restriction in the statement of services would be to allow the applicant to do indirectly that which it cannot do directly except in limited circumstances specifically set out in the Act.

As for the opponent's first ground of opposition, the onus or legal burden is on the applicant to show its compliance with the provisions of Section 30(b) of the Act. There is, however, an evidential burden on the opponent to prove its supporting allegations of fact. Since the opponent has failed to file evidence directed to those allegations, the first ground is unsuccessful.

As for the second ground of opposition, the same burdens apply. Furthermore, the material time for considering the circumstances respecting this ground is as of the filing date of the application.

As for the first aspect of the second ground, the opponent has failed to evidence the applicant's awareness of the use of the trade-mark PEOPLE'S DRUG MART by the opponent and its predecessor in title. As for the second aspect of the second ground, however, there is evidence tending to show that there has been licensed use of the applicant's mark outside of the registered user provisions in Section 50 of the Act.

The applicant has admitted, in its counter statement, that it has licensed two other parties to use the applied for trade-mark. Exhibits I and J to the Mutter affidavit are certified copies of Ontario business name registrations for the name or style "Peoples Drug Mart" by those two licensees, Asklepios Pharmaceutical (1983) Co. Ltd. and 559399 Ontario Limited. Both registrations are dated August 12, 1983 and both list the business activity as "pharmacy." Although replete with hearsay, the Elgie affidavit does raise the suggestion that there may even have been a third company using the applicant's mark under license prior to the applicant's filing date (see Exhibit B to the Elgie affidavit).

The foregoing suggests that there has been licensed use of the applicant's mark prior to the filing date of its application. Since such use would not have accrued to the benefit of the applicant, it would appear that the applicant was not in a position to assert that it was entitled to registration of the applied for mark. The applicant has chosen not to file evidence. I must therefore find that it has failed to satisfy the burden on it to show its compliance with Section 30(i) of the Act. The second ground is therefore successful.

As for the third ground of opposition, the opponent was required to evidence use of its trade-mark by itself or its predecessor in title prior to the applicant's claimed dates of first use. This the opponent has failed to do. The evidence establishes that the opponent is essentially a cooperative comprised of and owned by independent retail

drug store owners primarily in British Columbia. Through the opponent, the independent members share in cooperative advertising and purchasing arrangements. Although the various members use the trade-mark PEOPLES DRUG MART, there is no evidence that the opponent itself uses the mark as claimed in the statement of opposition. The evidence does show widespread advertising of the trade-mark PEOPLES DRUG MART in British Columbia by the opponent. However, this does not qualify as use of the mark by the opponent in relation to the services claimed since there is no evidence that the opponent itself has actually operated a pharmacy. The third ground is therefore unsuccessful.

At the oral hearing, the agent for the opponent characterized the opponent's trade-mark as a certification mark in respect of the services of operating retail pharmacies. He further characterized the opponent's members as licensees of the certification mark in respect of such services. As for the wares claimed, he submitted that the mark was used as an ordinary trade-mark by the opponent itself. As submitted by the agent for the opponent, these two positions are not necessarily inconsistent in accordance with the decision in Mister Transmission (International) Ltd. v. Registrar of Trade Marks (1978), 42 C.P.R. (2d) 123 (F.C.T.D.). It may also be that the activities of the opponent and its various members are consistent with the foregoing characterization. However, the statement of opposition did not rely on such a characterization, the opponent having claimed use of its "trade mark" with "wares and services" by itself, its members and its predecessor in title. If the opponent intended to rely on use of a certification mark PEOPLES DRUG MART for services and an ordinary trade-mark PEOPLES DRUG MART for wares, it was incumbent on the opponent to specifically set forth such pleadings in its statement of opposition.

As for the fourth ground of opposition, the onus or legal burden is on the applicant to show that its trade-mark is adapted to distinguish or actually distinguishes its wares and services from those of others throughout Canada. The material time for considering the circumstances respecting this ground is as of the filing of the opposition.

The wording of the fourth ground in the statement of opposition is far from clear. However, it would appear that the opponent has relied on activities by both itself and its members. On that basis, the evidence shows widespread use and advertising of the trade-mark PEOPLES DRUG MART in association with drug stores and pharmaceutical products in British Columbia by parties other than the applicant as of and prior to the material time. In view of that evidence, it is clear that the applicant's mark cannot serve to distinguish its wares and services from those of others in British Columbia. Consequently, the fourth ground is also successful.

It could be argued that the ground of non-distinctiveness was restrictively worded such that the opponent can only rely on activities by itself and its predecessor in title and not those of its members. Even if this is so, the fourth ground would still be successful in view of the widespread advertising of the trade-mark PEOPLES DRUG MART by the opponent throughout British Columbia. The reputation for the mark arising from that advertising alone would preclude the applicant's mark from distinguishing its wares and services from those of others.

In view of the above, I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 28th DAY OF June, 1991.

David J. Martin,
Member,
Trade Marks Opposition Board.