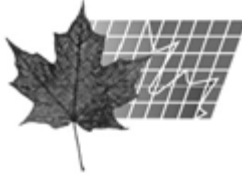


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LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 015

Date of Decision: 2022-01-31

IN THE MATTER OF AN OPPOSITION

Stone Creek Resorts Inc.

Opponent

and

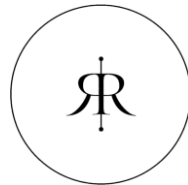
**New World Hotel Management (BVI)
Limited**

Applicant

1,632,369 for R & Design

Application

[1] Stone Creek Resorts Inc. (the Opponent) opposes application no. 1,632,369 for the registration of the trademark R & Design (the Mark) filed by New World Hotel Management (BVI) Limited (the Applicant). The Mark is shown below:



[2] For the reasons that follow, the opposition is successful.

THE RECORD

[3] The application was filed on June 25, 2013 on the basis of proposed use with the following services:

(1) Hotel, resort hotel, social club, resort condominium lodging; health spa services for health and wellness of the body and spirit; health spa services, namely, cosmetic body care services; health spa services, namely, body wraps, mud treatments, seaweed treatments, hydrotherapy baths, and body scrubs; massage therapy services; beauty salons, skin care salons, hair salon services, nail care salons (the Services).

[4] On February 21, 2018, the Opponent filed a statement of opposition under section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). The grounds of opposition pleaded are based on sections 30(a) and 30(i) (compliance), 12(1)(d) (registrability), 16(3)(a) (entitlement), and 2 (distinctiveness). In accordance with section 70 of the Act, all references to sections of the Act pertaining to the grounds of opposition are to the Act as it read before June 17, 2019. The sections 12(1)(d), 16(3)(a) and distinctiveness grounds of opposition are based on the Opponent's allegation of confusion between the Mark and its R Design trademark set out below (the Opponent's R Design trademark) used in association with restaurant, bar and lounge services.



[5] The Opponent filed as its evidence the affidavit of Kyle Koetse, the Senior Accountant with the Applicant. The Applicant filed the affidavit of D. Jill Roberts, a law clerk. Neither party filed a written argument; a hearing was not held.

EVIDENTIARY BURDEN

[6] The legal onus is on an applicant to show that its application complies with the provisions of the Act. However, there is an initial evidential burden on an opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist. Once this initial burden is met, an applicant must satisfy

the Registrar, on a balance of probabilities, that the grounds of opposition pleaded should not prevent the registration of the trademark at issue [*Joseph E Seagram & Sons Ltd v Seagram Real Estate Ltd* (1984), 3 CPR (3d) 325 (TMOB); *Christian Dior SA v Dion Neckwear Ltd*, 2002 FCA 29, 20 CPR (4th) 155].

GROUND OF OPPOSITION SUMMARILY REJECTED: COMPLIANCE WITH SECTIONS 30(A) AND 30(I)

[7] The material date for a ground of opposition based upon section 30 of the Act is the filing date of the application [*Georgia-Pacific Corp. v Scott Paper Ltd.*, 3 CPR (3d) 469 at 475].

[8] The section 30(a) ground of opposition, which alleges that the application does not contain a statement in ordinary commercial terms of the Services described as social club, resort condominium lodging and health spa services for health and wellness of the body and spirit, is rejected for the Opponent's failure to meet its evidential burden. The Opponent did not file any evidence in support of this ground of opposition, nor make any submissions.

[9] With respect to the section 30(i) ground of opposition, this section of the Act requires an applicant to include a statement in the application that the applicant is satisfied that it is entitled to use the trademark in Canada. Where an applicant has provided the required statement, the jurisprudence suggests that non-compliance with section 30(i) of the Act can be found only where there are exceptional circumstances that render the applicant's statement untrue, such as evidence of bad faith [*Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. There is no such evidence here and this ground of opposition is rejected.

GROUND OF OPPOSITION BASED ON REGISTRABILITY UNDER SECTION 12(1)(D)

[10] The material date for a section 12(1)(d) ground of opposition is the date of the Registrar's decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 (FCA)].

[11] The Opponent pleads that the Mark is not registrable under section 12(1)(d) of the Act, because it is confusing with the Opponent's registered R Design trademark registration No. TMA716,339.

[12] This trademark is registered for use in association with the following goods and services:

(1) Aprons; (2) Casual clothing for golf; and (3) Novelty items, namely, key chains, glassware, namely, bowls, glasses and plates, mugs, money clips, books, pens/pencils, desk sets, portfolios, desk diaries, organizers, note paper, note cards, spoons, patio umbrellas, stuffed animals, jewelry, prerecorded dvds featuring golf, cedar wine boxes, paper and cardboard gift boxes and coasters all of the foregoing goods are sold exclusively on the premises of the applicant's golf club.

Restaurant, lounge and wine bar services.

[13] As the Opponent's registration is in good standing, the Opponent has met its evidential burden with respect to this registration [see *Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB) which confirms that the Registrar has discretion to check the Register in this respect].

Test for confusion

[14] The test for confusion is outlined in section 6(2) of the Act, which stipulates that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would be likely to lead to the inference that the goods or services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class or appear in the same class of the Nice Classification.

[15] Some of the surrounding circumstances to be taken into consideration when assessing the likelihood of confusion between two trademarks are set out in section 6(5) of the Act: (a) the inherent distinctiveness of the trademarks and the extent to which they have become known; (b) the length of time the trademarks have been in use; (c) the nature of the goods, services, or business; (d) the nature of the trade; and the degree of resemblance between the trademarks in

appearance or sound or in the ideas suggested by them. These criteria are not exhaustive and it is not necessary to give each one of them equal weight [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, 49 CPR (4th) 401; *Mattel USA Inc v 3894207 Canada Inc*, 2006 SCC 22, 49 CPR (4th) 321; *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361].

[16] The test for confusion is described by Justice Binnie in *Veuve Clicquot* at paragraph 20:

The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the [applicant's mark], at a time when he or she has no more than an imperfect recollection of the [opponent's] trademarks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks.

[17] This test does not concern confusion of the trademarks themselves, but rather confusion as to whether the goods and services associated with each of the trademarks come from the same source.

Degree of resemblance between the trademarks

[18] In *Masterpiece*, the Supreme Court of Canada indicates that often the most important factor amongst those listed under section 6(5) of the Act is the degree of resemblance between the trademarks.

[19] When considering the degree of resemblance, the law is clear that the trademarks must be considered in their totality. The appropriate test is not a side by side comparison but an imperfect recollection in the mind of a consumer of an opponent's trademark.

[20] Overall, I find that the shared presence of a capital R and its mirror image results in trademarks with a very high degree of resemblance in appearance, sound and ideas suggested (the letter "R"). The Applicant's evidence includes the definition for "R and R" meaning rest and recreation, rest and relaxation, rest and recuperation or rest and resuscitation (Roberts affidavit, Exhibit 17). However, I do not find that either party's trademark suggests any of these definitions as a matter of first impression because neither trademark includes "R and R".

Inherent distinctiveness of the trademarks

[21] The Opponent's trademark and the Applicant's trademark are both inherently distinctive as they consist of the letter "R" and its mirror image. Neither trademark, however, has a high degree of distinctiveness as trademarks consisting primarily of one or more letters of the alphabet are generally considered to possess a low degree of inherent distinctiveness [*GSW Ltd v Great West Steel Industries Ltd* (1975), 22 CPR (2d) 154 (FCTD)] although this is slightly increased by the mirror image design element in each trademark.

Extent to which the trademarks have become known and length of time that the trademarks have been in use

[22] There is no evidence that the Mark has been in use in Canada. While Ms. Roberts' affidavit includes printouts of the Applicant's website *www.rosewoodhotels.com* which lists locations in Vancouver, British Columbia, the United States, Mexico, the Caribbean, and Asia (Roberts affidavit, Exhibits 1-3, 5) and the Applicant's social media feeds which include the Mark (Roberts affidavit, Exhibit 4), there is no basis on which I can infer how long the Mark has been in use in Canada, nor whether it is known to any significant extent in Canada.

[23] In contrast, while the evidence of the Opponent given by Mr. Koetse is rather scant it shows that the Opponent's R Design trademark is known to some extent in Canmore, Alberta and Invermere, British Columbia and has been used since at least as early as 2006.

- (a) The Opponent is a Calgary based company and a developer of world class resort communities, which include golf courses, restaurants, lodging for rental, private home ownership, stores and other community developments (para 3).
- (b) The Opponent's Silvertip Resort's website includes information concerning golf and the Rustica restaurant. The Rustica section of the website features the Opponent's R Design trademark (Exhibit A). While the R Design trademark appears above the restaurant name RUSTICA, I find use of the composite mark in this instance and throughout the exhibits to the affidavit, to be use of the Opponent's registered trademark [*Nightingale Interloc Ltd v Prodesign* (1984), 2 CPR (3d) 535 (TMOB)].

- (c) Signage and menus at the Rustica restaurants at the Opponent's Silvertip Resort and Eagle Creek Resort include the Opponent's R Design (Exhibits D and F).
- (d) The Opponent has placed advertisements for the Rustica restaurant featuring the Opponent's R Design trademark in online and paper magazines (Exhibits G-I). Some of the advertisements include dates on them, for example, December 25, 2006 on an advertisement for Christmas dinner and others include handwritten notations on them indicating placements in Rocky Mountain Outlook, Where Magazine and Canmore Dining from between 2008 to 2019 (Exhibit H-I).
- (e) The Opponent's Rustica restaurants each generate over \$300,000 revenue per year annually (para 14).

Nature of the parties' goods, services and trades

[24] I find that the nature of the parties' goods, services and trades overlap to some extent. While the Registrar has in the past found hotel services and restaurant services to be separate [*Ritz-Carlton Hotel Co. of Montreal Ltd v Federal Diversiplex Ltd* (1979), 59 CPR (2d) 123 (TMOB)], given that the Opponent's restaurant services are offered as part of resort services which appear to include condominium lodging and accommodation (Koetse affidavit, para 4 and the Pinnacle condominiums discussed in Exhibit A), I find that the nature of the parties' services and trade to overlap with respect to the Services described as hotel, resort hotel, social club, resort condominium lodging. With respect to the remaining services which all are health spa and personal care type services, there is still some overlap between the parties' nature of trade as Ms. Roberts' evidence appears to show that these services are offered in the Applicant's hotels (Exhibit 3).

Additional Surrounding Circumstances

The Applicant's prior registrations

[25] As part of her evidence, Ms. Roberts attaches copies of Canadian registration Nos. TMA720,533 and TMA780,232 for the trademarks ROSEWOOD HOTELS & RESORTS and

ROSEWOOD owned by the Applicant (Exhibit 24). I do not find that these trademarks assist the Applicant in proving that there is no likelihood of confusion between the Mark and the Opponent's R Design trademark. It is well established that an applicant's ownership of one or more trademarks does not give it the automatic right to obtain a further registration [*Coronet-Werke Heinrich Schlerf GmbH v Produits Ménagers Coronet Inc* (1984), 4 CPR (3d) 108 at 115 (TMOB); *385229 Ontario Limited v ServiceMaster Company*, 2012 TMOB 59 at para 47]. Further, there are no circumstances in this case that would support a finding that the existence of these prior registrations is a relevant surrounding circumstance [*Caesarstone Sdot-Yam Ltd v Ceramiche Caesar S.P.A* 2016 FC 895 at paras 50-56]. Specifically, I do not find that the Mark is very similar to the Applicant's previously registered trademarks.






[26] Ms. Roberts also attaches copies of the Applicant's registrations for the trademarks ROSEWOOD HOTELS & RESORTS and ROSEWOOD in the United States, United Kingdom, the European Union, Switzerland and China (Exhibits 25-29). The existence of these registrations is not relevant to my assessment of confusion as none of them results in an inference that consumers in Canada are unlikely to confuse the R design trademarks at issue in this opposition.


State of the register and state of the marketplace

[27] Ms. Roberts attaches to her affidavit printouts of the results of a trademark search for the term R&R, additional third party trademark registrations including either an RR design or a BR design and third party trademarks on websites and Facebook pages.

[28] Relevant trademarks to consider are those that are for similar goods and services as the trademarks at issue and include the shared component in the Mark and the Opponent's trademark in a material way [*Sobeys West Inc v Schwan's IP, LLC*, 2015 TMOB 197 at para 38].

[29] With this in mind, I note the following relevant registered trademarks identified by Ms. Roberts (Exhibits 18-22):

TMA958,562		Restaurant and bar services.
TMA829,689		Restaurant services; take-out restaurant services; bar services, namely, preparing and serving alcoholic and non-alcoholic beverages, frozen drinks, malts, shakes, smoothies, and specialty drinks; alcoholic beverage preparation services, namely, preparing alcoholic beverages to order.
TMA406,841		Hotel and restaurant services.
TMA450,057		Management and operation of a resort hotel, dining rooms, licensed beverage establishments, including musical entertainment facilities, recreational facilities, and physical fitness and spa facilities.
TMA469,441		Operation of a hotel and providing restaurant services and retail stores.
TMA899,923	R&R INN & SUITES	Operation of motels and providing accommodations for guests.
TMA826,466	COW PADDY BOYS -- ANNUAL R&R	Hosting of an annual bbq.

TMA1043652		<p>Restaurant franchising, namely the establishment, operation and rendering of technical assistance for sit-down and take-out restaurants, all services excluding restaurant services featuring ice-cream or frozen confections.</p> <p>Restaurant meal delivery services, all services excluding restaurant services featuring ice-cream or frozen confections.</p> <p>Restaurant services, restaurant take-out services, all services excluding restaurant services featuring ice-cream or frozen confections.</p>
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[30] Ms. Roberts also includes printouts of trademarks on websites from a number of businesses who use the trademark RUSTICA or a R design. Setting aside that the appearance of trademarks on websites is not evidence that Canadians are aware of these trademarks to any significant extent [*Symantec Corporation and Veritas Technologies LLC v Det Norske Veritas AS*, 2021 TMOB 143 at para 24], I note that several of the trademarks identified by Ms. Roberts, including the RUSTICA trademarks, differ significantly from the parties’ R Design trademarks and are not relevant. The closest trademarks in resemblance to the Mark and the Opponent’s R Design trademark are set out below:


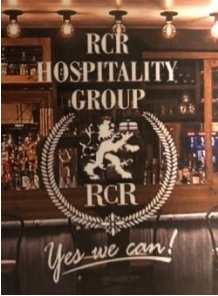





Exhibit	Restaurant	Trademark
Exhibit 23	BATON ROUGE	

Exhibit 12	RCR Hospitality Group	
Exhibit 11	R&B Brewing Co.	
Exhibit 10	RnR Diner	
Exhibit 8	Raven and Republic Gastro pub	
Exhibit 7	Smokin R&Rs	
Exhibit 6	R&R Grill	

[31] In the absence of submissions, I assume that the Applicant wishes me to conclude from the state of the Register and marketplace evidence that RR trademarks are so common in Canada that (i) consumers will be able to distinguish the Mark from the Opponent's trademark and (ii) the Opponent's trademark should only be granted a very narrow scope of protection. I agree that the Opponent ought not to be able to prevent the use of any trademark including RR or the like. However, the state of the Register and marketplace evidence does not allow me to conclude that consumers are used to distinguishing such highly similar trademarks (i.e.) trademarks including a R with its mirror image in the parties' fields. There is simply insufficient evidence to conclude that consumers are used to distinguishing such highly similar designs. Accordingly, this factor is not a significant surrounding circumstance.

Conclusion with respect to confusion

[32] In the case of letter marks, differences in design features may suffice to distinguish one mark from the other. The issue is whether a consumer who has a general and not precise recollection of the Opponent's R Design trademark will be likely to think, upon seeing the Applicant's Mark, that the goods and services associated with both trademarks might share a common source. The onus is not on the Opponent to show that such confusion is likely but rather on the Applicant to satisfy the Registrar that there is no reasonable likelihood of confusion on a balance of probabilities.

[33] Having considered all the surrounding circumstances, I find that, at best for the Applicant, the probabilities are evenly balanced between a finding of confusion with the Opponent's R Design trademark and a finding of no confusion. I reach this conclusion owing primarily to the fairly high degree of resemblance between the parties' trademarks, particularly when considered as a matter of first impression and imperfect recollection, and the overlap in the nature of the services and trades. In this respect, I have also borne in mind that there is no evidence that the Mark has been used in Canada. The ground of opposition based on registrability of the Mark under section 12(1)(d) of the Act is therefore successful.

GROUND OF OPPOSITION BASED ON NON -ENTITLEMENT UNDER SECTION 16(3)(A)

[34] The material date for the section 16(3)(a) ground of opposition is the filing date of the application.

[35] The Opponent has pleaded that the Applicant is not the person entitled to registration of the Mark as it is confusingly similar with the Opponent's R Design trademark used in association with restaurant, lounge and bar services.

The Opponent Meets its Evidential Burden

[36] The Opponent's evidence of advertising discussed in paragraph 23 of this decision meets its evidential burden with respect to the allegation that it has used its trademark R Design as of the filing date of the application and had not abandoned it as of the date of advertisement of the application (see sections 16(3) and 16(5) of the Act).

The Applicant Fails to Meet its Legal Onus

[37] Notwithstanding the earlier material date, and that the evidence of the use of the Opponent's R Design trademark is weaker as there is no evidence of the revenue from the restaurants at the earlier date, I find that the Applicant fails to meet its legal onus due to the similarity of the trademarks and the link between the services of each party.

GROUND OF OPPOSITION BASED ON DISTINCTIVENESS

[38] Having ruled in favour of the Opponent under two different grounds of opposition, there is no need to decide the ground of opposition based on distinctiveness.

DISPOSITION

[39] In view of all the foregoing and pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(12) of the Act.

Natalie de Paulsen
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

No Hearing Held.

AGENTS OF RECORD

MLT Aikins LLP

FOR THE OPPONENT

Moffat & Co.

FOR THE APPLICANT