



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2015 TMOB 142
Date of Decision: 2015-07-31

IN THE MATTER OF AN OPPOSITION

Gouverneur Inc.	Opponent
and	
The One Group LLC	Applicant
1,478,619 for STKOUT	Application

[1] Gouverneur Inc. opposes registration of the trade-mark STKOUT (the Mark) that is the subject of application No. 1,478,619 by The One Group LLC.

[2] Filed on April 27, 2010, with a claim for a convention priority filing date of November 18, 2009, the application is based on proposed use of the Mark in Canada in association with “bar and restaurant services; cafe and restaurant services, carry-out restaurants; cocktail lounge services; cocktail lounges; restaurants; take-out restaurant services”.

[3] In short, the Opponent alleges in its statement of opposition that: (i) the application does not conform to the requirements of section 30 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act); (ii) the Mark is not registrable under section 12(1)(b) of the Act; and (iii) the Mark is not distinctive under section 2 of the Act.

[4] For the reasons that follow, I reject the opposition.

The Record

[5] The Opponent filed a statement of opposition on April 22, 2013. Following the Applicant's request for an interlocutory ruling, the Registrar struck paragraph 3 of the statement of opposition, which pleads a non-entitlement ground based upon the introductory wording of section 16(3) of the Act. The Applicant then filed and served its counter statement on September 20, 2013 denying all of the remaining grounds of opposition.

[6] In support of its opposition, the Opponent filed the affidavit of Véronique Gauthier, a paralegal employed by the Opponent's trade-mark agent. In support of its application, the Applicant filed the affidavit of Jonathan A. Segal, managing member of the Applicant, as well as the affidavit of Dane Penney, a clerk employed by the Applicant's trade-mark agent. None of the affiants were cross-examined.

[7] Only the Applicant filed a written argument. A hearing did not take place.

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].

Does the Application Conform to the Requirements of Section 30 of the Act?

[9] In its statement of opposition, the Opponent alleges that the application does not conform to the requirements of section 30 of the Act, namely that:

- i. the Applicant was already using or had already used the Mark at the time of filing of the application, contrary to section 30(e) of the Act;
- ii. the trade-mark proposed to be used is not the Mark covered by the subject application, contrary to sections 30(e) and 30(h) of the Act;

- iii. alternatively or cumulatively, the Applicant never intended to use the Mark in association with each of the services, contrary to section 30(e) of the Act; and
- iv. the application does not contain a statement in ordinary commercial terms of the specific services in association with which the Mark is proposed to be used, namely that the terms “carry-out restaurants; [...] cocktail lounges; restaurants” are not specific, contrary to section 30(a) of the Act.

[10] The grounds of opposition raised under sections 30(e) and (h) of the Act are summarily dismissed for the reasons that follow.

[11] Since the application contains a statement that the Applicant by itself or through a licensee intends to use the Mark in Canada, it formally complies with section 30(e) of the Act. Thus the issue becomes whether or not the Applicant has substantially complied with section 30(e) of the Act. There is an initial evidential burden on the Opponent to establish the facts relied upon by it in support of its claim of non-compliance with section 30(e) of the Act, whether by relying on its own evidence or that of the applicant [*Molson Canada v Anheuser-Busch Inc* (2003), 29 CPR (4th) 315 (FC) at 334]. In the present case, the Opponent did not provide nor point to any evidence in support of any of its allegations made under section 30(e) of the Act. Accordingly, the section 30(e) grounds are dismissed.

[12] Moreover, in the absence of any evidence that the trade-mark proposed to be used is not the Mark and considering that the application is for the registration of words not depicted in a special form, I further dismiss the non-compliance ground of opposition based upon section 30(h) of the Act for having been improperly pleaded.

[13] In terms of the Opponent’s initial burden for a section 30(a) ground, it may only need to present sufficient argument in order to meet its initial burden [see *McDonald’s Corporation and McDonald’s Restaurants of Canada Ltd v MA Comacho-Saldana International Trading Ltd carrying on business as Macs International* (1984), 1 CPR (3d) 101 at 104 (TMOB)]. In the present case, the Opponent did not provide any evidence nor did it make any submissions in support of its section 30(a) ground of opposition. Consequently, I dismiss the section 30(a) ground of opposition in view of the Opponent’s failure to meet its initial burden.

[14] I would add that if I were wrong in finding that the Opponent failed to meet its initial burden, the Applicant filed search results extracted from the Canadian Intellectual Property Office's *Wares and Services Manual* showing a list of acceptable services including "bar services", "restaurant services", "café services", "take-out restaurant services", and "cocktail lounge services" [Exhibit A of the Penney Affidavit], as well as search results extracted from the *Canadian Trade-mark Register* for examples of registrations containing the term "carry-out" in the description of services, along with the particulars of the first ten results [Exhibit B of the Penney Affidavit]. I note that the term "carry out" can be seen in recent registrations in the context of restaurant and food services, including "operation of a carry out restaurant" and "carry-out restaurants". Consequently, in the absence of any evidence to the contrary, I am satisfied that the services described as "carry-out restaurants; [...] cocktail lounges; restaurants" are specific and in ordinary commercial terms.

Is the Mark Clearly Descriptive or Deceptively Misdescriptive?

[15] In its statement of opposition, the Opponent alleges that contrary to section 12(1)(b) of the Act, the Mark is not registrable because when depicted, written or sounded, it is either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the services in association with which it is proposed to be used. In particular, the Opponent alleges that the Mark clearly describes, when sounded, "steak out" type restaurant services; it also alleges that the Mark clearly describes, when sounded, "take out" type restaurant services.

[16] The material date for assessing a section 12(1)(b) ground of opposition is the filing date of the application, namely April 27, 2010 in the present case [*Shell Canada Limited v PT Sari Incofood Corporation* (2005), 41 CPR (4th) 250 (FC); *Fiesta Barbeques Limited v General Housewares Corporation* (2003), 28 CPR (4th) 60 (FC)].

[17] The analysis under section 12(1)(b) of the Act has been summarized as follows in *Engineers Canada/ Ingénieurs Canada v Burtoni*, 2014 TMOB 174 at para 14 to 16:

When conducting an analysis under section 12(1)(b) of the Act, a trade-mark must be considered as a matter of first impression, in its entirety and not dissected into its constituent parts [*Wool Bureau of Canada Ltd v Registrar of Trade Marks* (1978), 40

CPR (2d) 25 (FCTD) at 27-8; *Atlantic Promotions Inc v Registrar of Trade Marks* (1984), 2 CPR (3d) 183 (FCTD) at 186].

The word “character” in section 12(1)(b) has been held to mean a feature, trait or characteristic of the product and the word “clearly” has been held to mean “easy to understand, self-evident or plain” [*Drackett Co of Canada Ltd v American Home Products Corp* (1968), 55 CPR 29 (Ex Ct) at 34].

The test to be applied when assessing whether a trade-mark violates section 12(1)(b) of the Act has been summarized by the Federal Court of Appeal in *Ontario Teachers’ Pension Plan Board v Canada* (2012), 99 CPR (4th) 213 (FCA) at para 29:

It is trite law that the proper test for a determination of whether a trade-mark is clearly descriptive is one of first impression in the mind of a normal or reasonable person. [...] One should not arrive at a determination of the issue by critically analyzing the words of the trade-mark, but rather by attempting to ascertain the immediate impression created by the trade-mark in association with the wares or services with which it is used or proposed to be used. In other words, the trade-mark must not be considered in isolation, but rather in its full context in conjunction with the wares and services.

[18] In support of this ground of opposition, attached as Exhibit VG-3 to Ms. Gauthier’s affidavit is an extract of *The Canadian Oxford Dictionary* in which appears the term “takeout”, defined as “a food or a meal bought at a restaurant to be eaten off the premises” or “a restaurant preparing food that may be bought and eaten elsewhere”. Ms. Gauthier’s affidavit also contains the search results for 25 corporate names and trade-marks that include the terms “STEAK OUT” and “STEAKOUT” in Canada [Exhibit VG-1], as well as follow-up searches in the form of nine information sheets extracted from the provincial business name registries and the particulars of one trade-mark registration extracted from the *Canadian Trade-marks Database* [Exhibit VG-2]. As mentioned previously, the Opponent did not provide any written submissions in this proceeding.

[19] The Applicant also provides dictionary search results. In his affidavit, Mr. Penney states that he was asked to search *The Canadian Oxford Dictionary* for “STK”, “STKOUT” and “STAKEOUT”. Attached as Exhibit C to Mr. Penney’s affidavit are the relevant pages extracted from *The Canadian Oxford Dictionary*. I note that the terms “STK” and “STKOUT” do not appear in the attached dictionary pages, while the term “stakeout” is defined as “a continuous secret watch by the police”. In addition to Mr. Penney’s affidavit, the Applicant also provides Mr. Segal’s affidavit in which the affiant states that the Mark should be pronounced as “S-T-K

OUT” rather than “STEAK OUT”. While that may be the manner in which the Applicant promotes its brand name, I am not prepared to disregard the possibility that the average Canadian would, upon first impression, sound the Mark as “STEAK OUT”, when viewed in association with the applied for services.

[20] Citing *Cross-Canada Auto Body Supply (Windsor) Ltd v Hyundai Auto Canada* 2005 FC 1254, (2005) 43 CPR (4th) 21 (FC); aff’d 2006 FCA 133, (2006) 53 CPR (4th) 286 (FCA), the Applicant submits that Ms. Gauthier’s affidavit is inadmissible in its entirety, “as the affidavit was sworn by a paralegal employed by the Opponent’s trademark counsel, is the Opponent’s only evidence supporting each ground of opposition and relates to the core contentious issues in the opposition”.

[21] The Federal Court of Appeal has made it clear in *Cross-Canada Auto Body Supply* that “it is not good practice for a law firm to cause its employees to act as investigators for the purpose of having them later give opinion evidence on the most crucial issues in the case”. The Federal Court has also recently noted that “use and reliance on affidavit evidence of solicitors for a party or members of the solicitors’ firm in a proceeding is to be discouraged, particularly when it relates to the merits of the proceeding” [*Eclectic Edge Inc v Victoria’s Secret Stores Brand Management, Inc* 2015 FC 453]. Yet, both the Applicant and the Opponent filed affidavits sworn by employees of their agents on one or more points of substance.

[22] In the present case, I am not prepared to find Ms. Gauthier’s affidavit inadmissible. While the Opponent has elected to introduce evidence related to different grounds of opposition in the present proceeding via a person who is employed by its trade-mark agent instead of an independent witness, Ms. Gauthier’s affidavit does not contain opinions or allegations that may qualify as opinions. The parameters of the searches which she conducted are very clearly set out in paragraphs 3 to 8 of her affidavit. Even though the Applicant submits that Ms. Gauthier did not identify the criteria she used in selecting the business names and trade-marks located by her searches for which she investigated further, I note that the follow-up searches appear to exclude results that are described as “dissolved”, “expired”, “abandoned” and “expunged”. I further note that the Applicant elected not to cross-examine the affiant. In any case, I fail to see how the use

of an outside investigator would have made this evidence more proper [see also *Bacardi & Company Limited v Distribuidora Glasgow CA*, 2010 TMOB 55].

[23] Under these circumstances, I will have regard to Ms. Gauthier's affidavit. I now turn to the probative value of the evidence presented.

[24] As mentioned at the beginning of this section, the Opponent alleges that the Mark clearly describes "steak out" and "take out" type restaurant services when sounded. With respect to the first prong of this ground of opposition, the Opponent has failed to substantiate the manner in which the Mark, when sounded as "steak out", would clearly describe the character or the quality of the applied for services. Having reviewed the Opponent's evidence in its entirety, the mere fact that the words "STEAK OUT" form part of a number of business names or trade-marks is, in and of itself, insufficient to show that the particular combination of those two words clearly describes, or even describes, a particular type of restaurant services. This is further supported by the fact that the term "STEAK OUT" does not appear in *The Canadian Oxford Dictionary*. Finally, there is no evidence that the term "STEAK OUT" is a natural description for either take out restaurant services or take out restaurant services involving steak.

[25] With respect to the second prong of the section 12(1)(b) ground of opposition, I fail to see how the Mark could clearly describes "take-out" type restaurant services when sounded, for that would require the average Canadian to somehow disregard the first letter of the Mark and focus on the second and the third letters of the Mark instead, all upon first impression. At best, when viewed in association with the applied for services, the Mark might suggest the idea of take-out services in view of the aural similarity between the words "steak out" and "take-out". Alternatively, as pointed out by the Applicant, the Mark could evoke the idea of a police stakeout when sounded, which has no connection with the applied for services. In any case, a suggestive trade-mark does not violate section 12(1)(b) of the Act.

[26] Accordingly, I dismiss the section 12(1)(b) ground of opposition.

Was the Mark Distinctive of the Applicant's Services?

[27] 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:

- The Steak Out restaurant (in Edmonton, AB);
- The Steak Out restaurant (on Yonge Street in Toronto, ON);
- The Steakout Restaurant (on St. Clair Avenue in Toronto, ON);
- The Steak Out Restaurant (in Outlook, SK);
- Le Vieux Poêle Steak Out (in Edmunston, NB);
- Stakeout Dining Room & Lounge (in Stouffville, ON);
- Charcoal Pit Steak Out;
- Mike's Steak-Out;
- Steak Out (in Quebec, QC); and
- The Steak Out & Drifters Lounge.

[28] The Opponent further 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 as it is either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the services in association with which it is proposed to be used. In particular, the Opponent alleges that the Mark clearly describes, when sounded, "steak out" type restaurant services; it also alleges that the Mark clearly describes, when sounded, "take out" type restaurant services.

[29] In order to meet its initial burden with respect to the first prong of 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, to negate the distinctiveness of the trade-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. In this regard, I agree with the Applicant that the trade-name and trade-mark information searches provided in Ms. Gauthier's affidavit do not speak to the extent to which any of the alleged trade-names and trade-marks are known in Canada.

[30] With respect to the second prong of the non-distinctiveness ground of opposition, it fails for the same reasons as those set out under the section 12(1)(b) analysis. Even though the material date for the distinctiveness ground of opposition falls on a later date, that is the filing date of the statement of opposition, namely November 21, 2012, the different dates do not result in a different outcome in the present case.

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

Disposition

[32] Pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition under section 38(8) of the Act.

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

No Hearing Held.

Agents of Record

ROBIC

For the Opponent

Bereskin & Parr LLP

For the Applicant