

**IN THE MATTER OF AN OPPOSITION
by Checker's Restaurant of Ottawa Inc. to
application No. 680,867 for the trade-mark
CHECKERS & Design standing in the name
of Checkers Drive-In Restaurants, Inc.**

On April 29, 1991, Checkers Drive-In Restaurants of North America, Inc. filed an application to register the trade-mark CHECKERS & Design (shown below) for "restaurant services" based on use and registration (No. 1,656,487) in the United States. As a consequence of a merger on September 17, 1991, the application currently stands in the name of Checkers Drive-In Restaurants, Inc. The application was amended to include individual disclaimers to the words COLAS, FRIES and BURGERS and was subsequently advertised for opposition purposes on June 8, 1994.



The opponent, Checker's Restaurant of Ottawa Inc., filed a statement of opposition on November 8, 1994 and a revised statement of opposition on November 17, 1994. A copy of the revised statement was forwarded to the applicant on January 6, 1995.

The first ground of opposition is that the applicant's application does not conform to the requirements of Sections 30(e) and 30(i) of the Trade-marks Act because the applicant

.....did not have a **boni fide** [sic] belief that it intended and was entitled to the use of this trade mark in Canada at the time of execution of its application herein.

The second ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(2) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the trade-marks and trade-names CHEQUERS and CHEQUERS RESTAURANT previously used in Canada in association with the operation of

a restaurant by the opponent and its predecessors in title (1) D & A MacLeod Company Ltd. as Trustee in Bankruptcy of the Estate of Abdallah Nasri also known as Abdallah Al-Nousseiry carrying on business as Chequers Restaurant, (2) Abdallah Nasri and (3) Angelo Milonas Limited.

The third ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Act because it is confusing with the trade-mark CHEQUERS registered under No. 282,804 for the “operation of a restaurant” standing in the name of Angelo Milonas Limited. The fourth ground is that the applied for trade-mark is not distinctive because it is confusing with the opponent’s trade-marks and trade-names.

The applicant filed and served a counter statement. As its evidence, the opponent submitted the affidavits of Daniel McGarry and Scott Singer. Messrs. McGarry and Singer were cross-examined on their affidavits and the transcripts of those cross-examinations and the replies to undertakings given form part of the record of this proceeding. As its evidence, the applicant submitted two affidavits of Debra L. Montgomery. As evidence in reply, the opponent filed a certified copy of the Certificate of Appointment of D & A MacLeod Company Ltd. as trustee in the matter of the bankruptcy of Abdallah Nasri. Only the opponent filed a written argument but an oral hearing was conducted at which both parties were represented.

As for the first ground of opposition based on non-conformance with the requirements of Section 30 of the Act, the opponent has withdrawn this ground. As for the third ground of opposition, registration No. 282,804 was expunged on September 15, 1995 for failure to show use. Thus, the third ground is unsuccessful.

As for the second ground of opposition, there is an initial burden on the opponent to evidence use of its trade-marks and trade-names prior to the applicant’s filing date (April 29, 1991) and non-abandonment of those marks and names as of the applicant’s advertisement date (June 8, 1994). In his affidavit, Mr. McGarry identifies himself as the President of the opponent and states that the opponent acquired the rights to the “style name of Chequer’s

Restaurant.....used at the premises municipally known as 123 Slater Street, Ottawa, Ontario” by virtue of a bill of sale dated November, 1993 from D & A MacLeod Company Ltd. as trustee in bankruptcy of the estate of Abdallah Nasri, also known as Abdallah Al-Nousseiry, carrying on business as Chequers Restaurant. Since then, the opponent has carried on business under the names Chequers Restaurant and Checker’s Restaurant at that same location. A number of signs (both inside and out) bearing the name Chequers which were part of the premises were retained by the opponent when it took over operation of the restaurant.

In his affidavit, Mr. Singer identifies himself as the Property Manager of Metcalfe Realty Company Limited which is responsible for leasing the premises at 123 Slater Street in Ottawa. Based on the business records kept by Mr. Singer’s company, it appears that the restaurant premises at 123 Slater Street were leased to Angelo Milonas and Angelo Milonas Limited on June 19, 1974 and that the lease was assigned to 648453 Ontario Inc., Ian Morrice and Laki Gettas on January 15, 1986. The lease was again assigned on March 7, 1989 to Abdallah Al Nousseiry (Mr. Nasri) and Mohammed Adel Makieh.

Exhibit E to Mr. Singer’s affidavit is a copy of a letter dated June 8, 1992 advising of the sale by Mr. Makieh of his fifty percent interest to Mr. Nasri which was followed by a further transfer of the lease on June 17, 1992. Exhibits F-1 and F-2 to Mr. Singer’s affidavit are copies of two government licenses or permits dated in early 1993 to Mr. Nasri trading as Chequers Restaurant. In paragraph eight of his affidavit, Mr. Singer states that Mr. Nasri made an assignment in bankruptcy on October 1, 1993, that the assets of his business were transferred to the opponent and that the opponent has leased the premises at 123 Slater Street since then.

Appended as exhibits to Mr. McGarry’s affidavit are copies of entries from the primary Ottawa business telephone directory for the years 1983, 1989 and 1990-1994 showing a prominent advertisement for Chequers Restaurant at 123 Slater Street. In the replies to undertakings given on the Singer cross-examination, Mr. Singer apparently spoke to long term employees of his company and confirmed that Chequers Restaurant had not been closed down

prior to Messrs. Makieh and Nasri taking over in March of 1989. His enquiries also revealed that when Mr. Nasri went bankrupt and left the restaurant, it was only closed for two days before the opponent reopened it.

Based on the evidence of record, I am able to conclude that the trade-mark CHEQUERS and the trade-name Chequers Restaurant have been used by the opponent and its predecessors in title as claimed prior to the applicant's filing date and that such use was not abandoned as of the applicant's advertisement date. Although the evidence presented is subject to certain hearsay deficiencies, I consider that it is necessary and reliable. The applicant's own affiant (Ms. Montgomery) was unable to get Mr. Nasri to swear an affidavit for this proceeding. Thus, we are left with documentary evidence and some physical evidence of ongoing advertising. Based on that evidence, I find on a balance of probabilities that at each change of ownership in the restaurant and the accompanying lease, there was a transfer of rights in the trade-mark CHEQUERS and the trade-name Chequers Restaurant.

The applicant contended that no trade-mark or trade-name rights flowed to the trustee after Mr. Nasri's bankruptcy and that consequently the opponent received no such rights from the trustee through the bill of sale executed in November of 1993. In this regard, Ms. Montgomery appended as an exhibit to her second affidavit a photocopy of a purported assignment of rights in the trade-marks and trade-names CHEQUERS and CHEQUERS RESTAURANT dated January 24, 1997 from Mr. Nasri to the applicant. However, she does not indicate how she obtained the photocopy or how she knows it is reliable. The fact that she could not convince Mr. Nasri to swear an affidavit for this proceeding casts serious doubts on the authenticity of the purported assignment.

The applicant further contended that since the evidence of record does not include a copy of the sworn statement listing the debtor's property which should have accompanied Mr. Nasri's assignment in bankruptcy pursuant to Section 49(2) of the Bankruptcy Act, it is not possible to determine what trade-mark rights, if any, the trustee in bankruptcy acquired from Mr. Nasri. However, as submitted by the opponent, the assignment in bankruptcy clearly

transferred all of Mr. Nasri's property and the subsequent bill of sale to the opponent specifically covered the "right, title and interest in the style name of Chequer's Restaurant." If the sworn statement required by Section 49(2) of the Bankruptcy Act evidenced otherwise, the applicant was free to submit a copy in evidence. If, on the other hand, no such sworn statement exists in this case, I agree with the opponent's agent that its absence does not impair the validity of the transfer of rights evidenced by the assignment in bankruptcy.

Even if the Nasri assignment in January of 1997 is genuine, it would appear to be of no assistance to the applicant. As discussed, it appears that rights in the trade-mark CHEQUERS had already passed from Mr. Nasri to the trustee in bankruptcy to the opponent in November of 1993. Thus, Mr. Nasri had nothing to assign in January of 1997. Even if those rights somehow did not earlier pass to the trustee and then to the opponent, it appears that Mr. Nasri made no use of the trade-mark and name CHEQUERS subsequent to his bankruptcy and would therefore have abandoned that mark and name, in any event. Thus, even if Mr. Nasri had not assigned his trade-mark rights in November of 1993, he had nothing to assign in 1997.

At most, the recitals in the Nasri assignment of January 24, 1997 serve to support the opponent's claimed chain of title. That assignment suggests that the rights to the trade-marks and trade-names CHEQUERS and CHEQUERS RESTAURANT passed from Angelo Milanos and Angelo Milanos Limited to Ian Morris and Taki Gettas and then to Messrs. Nasri and Makieh.

The applicant made much of the fact that the now expunged registration No. 282,804 for the trade-mark CHEQUERS standing in the name of Angelo Milanos Limited was not assigned to the opponent. The applicant submitted that if the trade-mark CHEQUERS had been assigned to the opponent, then the opponent should have been in a position to register that assignment and become the new registered owner of registration No. 282,804. However, as submitted by the opponent, when it acquired rights to the trade-mark in 1993, it could not directly evidence the chain of title back to Angelo Milanos Limited. It was only when the

applicant filed the purported assignment of January 24, 1997 from Mr. Nasri that the opponent had more direct evidence completing its chain of title. By that time, of course, the trade-mark registration had been expunged.

In view of the above, the second ground of opposition remains to be decided on the issue of confusion as between the applicant's mark CHECKERS & Design and the opponent's previously used trade-mark CHEQUERS and trade-name Chequers Restaurant. The onus or legal burden is on the applicant to show no reasonable likelihood of confusion. Furthermore, the material time for considering the circumstances respecting this issue is as of the applicant's filing date. Finally, in applying the tests for confusion set out in Sections 6(2) and 6(3) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act.

As for Section 6(5)(a) of the Act, the applicant's mark and the opponent's mark and name are all inherently distinctive. There being no evidence of use of the applicant's mark, I must conclude that it had not become known in Canada as of April 29, 1991. The evidence of use of the opponent's mark and name is limited and suggests that they have only been used locally in association with one restaurant outlet. Thus, I am only able to conclude that the opponent's mark and name had become known to some extent in the Ottawa area.

The length of time the marks and name have been in use is a circumstance that favors the opponent. The services and trades of the parties would appear to be identical. As for Section 6(5)(e) of the Act, there is a high degree of resemblance between the applicant's mark and the opponent's mark and name, particularly when sounded. Furthermore, the applicant's mark includes a checkerboard design and advertisements for the opponent's mark frequently show it in a design format which also incorporates a checkerboard design.

As an additional surrounding circumstance, the applicant sought to rely on the pre-incorporation NUANS search conducted on behalf of the opponent, a copy of which was provided in reply to an undertaking given during the McGarry cross-examination. However,

that evidence is not entirely reliable since there is no indication who conducted the search or what the full parameters of the search were. It is surprising that the applicant did not conduct its own search of registered business names and trade-marks to support its case.

Even if I could overlook the evidentiary shortcomings in the NUANS search relied on by the applicant, it does little to advance the applicant's case. It lists one relevant registration for the trade-mark CHECKERS PIZZA but notes that it is inactive. The balance of the report lists about a dozen registered business names which suggest a restaurant operation and which incorporate the word "checkers" as part of the name. However, unlike trade-mark registrations, business name registrations require no assertion of public use. Thus, in the absence of evidence of use of the third party business names, I am not prepared to find that there has been common adoption of the word "checkers" as a component of trading styles for restaurants.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the resemblance between the services, trades, marks and name of the parties, I find that the applicant has failed to satisfy the onus on it to show that its proposed mark is not confusing with the opponent's previously used mark and name. The second ground of opposition is therefore successful.

As for the fourth ground of opposition, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its services from those of others throughout Canada: see Muffin Houses Incorporated v. The Muffin House Bakery Ltd. (1985), 4 C.P.R.(3d) 272 (T.M.O.B.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the opposition (i.e. - November 8, 1994): 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 Corporation v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.). Finally, there is an evidential burden on the opponent to prove the allegations of fact supporting its ground of non-distinctiveness.

The fourth ground essentially turns on the issue of confusion between the applicant's mark and the opponent's mark and name. My conclusions respecting the second ground of opposition are also applicable respecting the fourth ground. Since the opponent has evidenced a reputation for its mark and name in the Ottawa area and since the applicant's mark is confusing with the opponent's mark and name, the applicant has failed to show that its mark is distinctive throughout Canada. Thus, the fourth ground is also successful. It should be noted that this ground would have been successful even if the opponent had not been able to establish use of its trade-mark and trade-name by predecessors in title prior to the applicant's filing date since there is no evidence that the opponent's use of its mark and name since 1993 was not in good faith.

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 26th DAY OF APRIL, 1999.

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