



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

Citation: 2015 TMOB 152
Date of Decision: 2015-09-08

IN THE MATTER OF AN OPPOSITION

**Richtree Market Restaurants Inc. /
Richtree Restaurants du Marche Inc.** **Opponent**

and

Mövenpick Holding AG **Applicant**

**1,405,272 for Marché & Wave Design in a
rectangle with a wave on top** **Application**

[1] Richtree Market Restaurants Inc./Richtree Restaurants du Marche Inc. opposes registration of the trade-mark Marché & Wave Design in a rectangle with a wave on top (the Mark), shown below, that is the subject of application No. 1,405,272 by Mövenpick Holding AG.



[2] The application contains the following colour claim: “[t]he First Top Wave is LIGHT GREEN, namely, Pantone 376 U, 376 C, CMYK 50/0/85/0, RGB 144/194/77, SW 50 %

BLACK, Rectangle is DARKER GREEN, namely, Pantone 355 U, 355 C, CMYK 86/0/87/0, RGB 0/171/89, SW 75 % BLACK, the word MARCHÉ is in WHITE and the second wave located under the LIGHT GREEN wave is also in WHITE. Further, there is a WHITE line under the term MARCHÉ. *Pantone is a registered trade-mark.”

[3] Filed on July 29, 2008, the application is based on use and registration of the Mark in Switzerland, as well as proposed use in Canada, in association with “restaurant services; take-out restaurant services; offering technical assistance in the establishment and operation of restaurant franchises”.

[4] In short, the Opponent alleges 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 sections 12(1)(b) and 12(1)(c) of the Act; and (iii) the Mark is not distinctive under section 2 of the Act. At the hearing, the Opponent withdrew the grounds of opposition based on section 30 of the Act. I will therefore not be considering those grounds of opposition.

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

The Record

[6] The Opponent filed its statement of opposition on August 9, 2011 and, with leave from the Registrar, filed an amended statement of opposition on October 11, 2011. The amended statement of opposition was further amended by an interlocutory ruling dated October 19, 2011. The Applicant then filed and served its counter statement on December 21, 2011 denying all of the grounds of opposition.

[7] In support of its opposition, the Opponent filed the following evidence: the affidavit of Lynda Palmer, a trade-mark searcher and owner of Lynda Palmer Trade Mark Searching; the affidavit of James Meadway, an investigator with Northwood & Associates Inc.; the affidavit of Yves Crépeault, an investigator with GW Consulting and Investigations; and the affidavit of Robert Breton, also an investigator with GW Consulting and Investigations. All of the

Opponent's affidants were cross-examined; the transcripts of the cross-examinations, along with replies to undertakings, have been made of record.

[8] In support of its application, the Applicant filed the following evidence: the affidavit of Geng Liu, an assistant employed by the Applicant's trade-marks agent at the time, which includes a certified copy of the affidavit of Yves Lefebvre, a private investigator with GW Consulting and Investigations, that was filed in a separate Federal Court proceeding; a certified copy of trade-mark registration No. TMA460,114; certified copies of extracts of the file wrappers of trade-mark applications; as well as a certified copy of the affidavit of Matthew Williams, the President and CEO of the parent company of the Opponent Natural Market Restaurants Corp., the transcript of his cross-examination and the exhibits thereto, along with replies to undertakings, filed with the Registrar in the course of a separate opposition proceeding between the parties. Mr. Liu was not cross-examined.

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

The Parties' Respective Burden or Onus

[10] 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 Clearly Descriptive of the Services?

[11] The Opponent pleads that contrary to section 12(1)(b) of the Act, the Mark is not registrable because it is clearly descriptive of the character or quality of the services in association with which it is proposed to be used.

[12] In its written argument, the Opponent submits that the first impression created by the Mark in the mind of a normal or reasonable person in association with "restaurant services" and "take-out restaurant services" is that "these services are marché(market)-style restaurant/take-out restaurant services". In particular, "the average consumer's first impression would be of a

restaurant (sit down or take-out) where meals are displayed or prepared at different stations that consumers approach and assess before ordering, in the same manner that consumers have for centuries shopped at other types of markets, such as farmers markets and fish markets”. The Opponent also submits that the first impression created by the Mark in association with “offering technical assistance in the establishment and operation of restaurant franchises” is that “these services relate to marché(market)-style restaurant franchises”.

[13] In response, the Applicant contends that none of the meanings attached to the term MARCHÉ clearly describe the applied for services. In this regard, the Applicant submits that the courts have consistently recognized that a suggestive trade-mark, or even a descriptive trade-mark, is registrable. Citing *Mövenpick Holding AG v Exxon Mobil Corporation* 2011 FC 1397, the Applicant notes that a skillful allusion to a characteristic of the associated goods or services does not offend section 12(1)(b) of the Act.

[14] The material date for assessing a section 12(1)(b) ground of opposition is the filing date of the application, that is July 29, 2008 in this 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)].

[15] 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.

[16] Moreover, pursuant to *Best Canadian Motor Inns Ltd v Best Western International Inc* 2004 FC 135, when dealing with a composite mark, that is a mark composed of both word and design elements, one must assess the visual impression created by the word and design elements of the trade-mark. Where the design element of the trade-mark does not stimulate visual interest, the word element will be deemed dominant. In situations where a composite mark, when sounded, contains word elements that are clearly descriptive or deceptively misdescriptive and are also the dominant feature of the mark, the mark will not be registrable pursuant to section 12(1)(b) of the Act [see also *Ottawa Athletic Club Inc (Ottawa Athletic Club) v Athletic Club Group Inc*, 2014 FC 672 para 186].

[17] On this point, the Opponent submits that the word portion of the Mark, namely MARCHÉ, is the dominant element of the trade-mark as the design elements are not original or memorable. In contrast, the Applicant submits that the design elements of the Mark, including the colour claim, are inherently distinctive, unique, and stimulate visual interest independently. Thus, the Applicant takes the position that the word portion of the Mark, MARCHÉ, cannot be said to be the dominant component of the trade-mark, and the registrability of the Mark should be assessed in view of the word and design elements. The Applicant submits that in any case, the term MARCHÉ is not clearly descriptive of the applied for services as the term is not self-evident, plain, or manifest, of restaurant services or its equivalent.

[18] As noted in *Ottawa Athletic Club*, a trade-mark can be considered to be clearly descriptive or deceptively misdescriptive as a result of the way it is depicted, written or sounded. In the present case, I do not find that the design element stimulates sufficient visual interest to detract attention away from the word component. In my view, the design element of the Mark, including the colour claim, does not stand out from the Mark to the extent that the word element does. Furthermore, I am of the view that the contrast between the term MARCHÉ in white on a

dark green background further contributes to the dominance of the word component of the Mark. Considering that there is no evidence that the average consumer would sound the design component of the Mark, nor is there anything to suggest that consumers would identify or distinguish the Mark by its geometric design, or the various shades of green, rather than the term MARCHÉ, I agree with the Opponent that when the Mark is viewed in its entirety and as a matter of first impression, the dominant feature is the term MARCHÉ.

[19] Thus, the question becomes whether the Mark, when sounded as MARCHÉ, is clearly descriptive of the character or quality of “restaurant services; take-out restaurant services; offering technical assistance in the establishment and operation of restaurant franchises” on a matter of first impression in the mind of a normal or reasonable person.

[20] As noted in *Ottawa Athletic Club*, section 12(1)(b) analysis “is not an abstract exercise of determining whether the services offered in connection with a trade-mark match the dictionary definitions of the component terms encompassed within the mark, but a contextual inquiry based on the immediate impression of the potential users of the service” [para 188], although dictionaries or other reference works might be used as guides to help determine possible meanings of a trade-mark [see *ITV Technologies Inc v WIC Television* 2013 FC 1056 citing *Brûlerie Des Monts Inc v 3002462 Canada Inc* (1997), 132 FTR 150 and *Bagagerie SA v Bagagerie Willy Ltéd* (1992), 97 DLR (4th) 684]. Moreover, one must apply common sense in making the determination [see *Neptune SA v Canada (Attorney General)* 2003 FCT 715, para 11].

[21] Having regards to the foregoing, I consider it appropriate to begin my analysis by looking into the dictionary definitions of the word element of the Mark [see *Insurance Co of Prince Edward Island v Prince Edward Island Insurance Co* (1999), 2 CPR (4th) 103 (TMOB); *Yahoo! Inc v audible.ca inc* (2009), 76 CPR (4th) 222 (TMOB)].

Dictionary Definitions

[22] As noted by the Federal Court in *Mövenpick Holding AG v Exxon Mobil Corporation*, which dealt with an appeal from a decision of the Registrar in *Mövenpick Holding AG v*

ExxonMobil Oil Corporation 2010 TMOB 125, the term MARCHÉ has a broad meaning (para 28).

[23] *Le Petit Robert* provides numerous definitions for the term MARCHÉ, including:

- Convention portant sur la fourniture de marchandises, de valeur ou de services;
- Lieu public de vente de biens et de services. Lieu où se tient une réunion périodique des marchands de denrées alimentaires et de marchandises d'usage courant.

[24] As part of its evidence, the Opponent includes photocopies of pages from different English-French/French-English dictionaries showing the French term MARCHÉ translated as MARKET in English [Exhibits 31 to 34 of the Meadway affidavit].

[25] *The Canadian Oxford Dictionary* also provides numerous definitions for the term MARKET, notably:

- The gathering of people for the purchase and sale of provisions, livestock, etc., esp. with a number of different vendors;
- An open space or covered building used for this;
- [often foll. by for] A demand for a commodity or service: goods find a ready market – a place or group providing such a demand: Canada is a small market;
- Conditions as regards, or opportunity for, buying or selling.

[26] Finally, I note that *The Canadian Oxford Dictionary* defines the word “restaurant” as “a commercial establishment where meals are prepared, served, and eaten”.

[27] None of the definitions for the terms MARCHÉ and MARKET make reference to restaurants. On the contrary, the terms MARCHÉ and MARKET are defined as a rather broad concept that describe situations or places where people gather to buy and sell goods or services.

[28] I will now turn to the Opponent’s evidence of third party usage of the terms in the marketplace.

Third Party Usage

[29] The Opponent submits that the term MARCHÉ and its English equivalent MARKET are commonly used in Canada in the restaurant and food services industry generally, thus the Applicant should not be allowed to appropriate the term MARCHÉ as the purpose of the

section 12(1)(b) prohibition is to prevent a single trader from monopolizing a term that is clearly descriptive or common to the trade.

[30] In support of its allegation, the Opponent relies on the following evidence:

- the Palmer Affidavit that contains excerpts of applications and registrations for trade-marks that include the word MARKET or MARCHE, extracted from the *Canadian Trade-mark Database*, for use in association with the food service industry including restaurants, grocery stores, supermarkets, food services and food products, excluding those owned by the Applicant or the Opponent. I will discuss these results in further detail below;
- the Meadway Affidavit that presents the results of an investigation dealing with online business directory searches, internet searches, website printouts, menus, as well as phone calls and visits to grocery stores, convenience stores, and restaurants, most of which are located in Ontario, whose names include the term MARKET. I note that there are photos of the exterior of restaurants visited by Mr. Meadway, notably of Fallingbrook Market & Cafe, Ichiban Fish Market, Carmelina Fresh Market Cuisine, Sushi Marché II, and Marcello's Market and Deli;
- the Breton Affidavit that presents the results of an investigation dealing with online business directory searches, internet searches, website printouts, as well as phone calls and visits to grocery stores, convenience stores, and restaurants located in the Montreal region, whose names include the term MARCHÉ. I note that none of the businesses appearing in the photos taken by Mr. Breton are identified by the affiant as restaurants; and
- the Crépeault Affidavit that presents the results of an investigation dealing with searches, phone calls and visits to grocery stores, convenience stores, and restaurants located in the Quebec City area, whose names include the term MARCHÉ. I note that none of the businesses appearing in the photos taken by Mr. Crépeault are identified by the affiant as restaurants.

[31] In response, the Applicant submits that the evidence is flawed and that in any case, the evidence only shows very few third party names and trade-marks containing the term MARCHÉ or MARKET used in Canada in association with restaurant services.

[32] At the outset, I wish to note that I will not have regard to the investigators' reports for the purpose of this ground of opposition as they pertain to searches and visits conducted between March and August 2011, close to three years after the material date in question.

[33] With respect to the Applicant's objection to the relevance of the Opponent's evidence, I agree that evidence of use of the term MARCHÉ or MARKET with supermarkets, grocery stores, specialty food stores and convenience stores is not indicative of whether the term MARCHÉ clearly describes the character or quality of restaurant services, take-out restaurant services, and the offering of technical assistance in the establishment and the operation of restaurant franchises, nor is it indicative of whether the term MARCHÉ is commonly used by third parties to describe those services, as the former businesses offer services that are fundamentally different from those of a restaurant. While food stores focus on the selling and buying food products, restaurants put the emphasis on the preparation and the service of meals to customers in an establishment.

[34] At the oral hearing, the Opponent pointed out that the Board has previously accepted the comparison between restaurant services with convenience stores at gasoline stations where limited fast food items are sold, as there is potential for overlap in trade channels even though it was considered unlikely [see *Mövenpick Holding AG v ExxonMobil Oil Corporation, supra*]. The Opponent also pointed to registration TMA735,328, the partial particulars of which are attached as Item 192 in Exhibit "A" of the Palmer affidavit, as an example of a trade-mark associated with grocery store services and in-store restaurant and bakery services.

[35] I do not consider that case to be relevant or analogous to the case at hand. In the cited Board decision, the comparison between the different food related businesses was done in the context of a confusion analysis where factors such as the potential for overlap between the parties' services, their channels of trade, as well as evidence of state of the marketplace with respect to the use of a certain term as a trade-mark, are taken into consideration in determining whether use of a trade-mark causes confusion with another if use of both in the same area would be likely to lead to the inference that the good or services associate with those trade-marks are from the same source. That is not the issue here.

[36] The Opponent is not alleging confusion between restaurant services associated with the Mark and other types of food related businesses associated with MARCHÉ or MARKET trade-marks. The question is not whether an average Canadian consumer would think that the Applicant's MARCHÉ restaurant services are provided by the same entity that operates a supermarket, grocery store or convenience store with the term MARKET or MARCHÉ in the trade-mark or the business name. Instead, the question is whether the term MARCHÉ clearly describes the character or quality of restaurant services, take-out restaurant services, and the offering of technical assistance in the establishment and operation of restaurant franchises, in view of alleged third party use of the term MARKET or MARCHÉ to describe the character or quality of similar or identical services.

[37] Likewise, reference to a registration for a grocery store that also operates a restaurant on site in association with a trade-mark that includes the term MARKET is of no assistance in determining whether the term MARKET is commonly used by third parties to describe restaurant services.

[38] Accordingly, in the absence of evidence showing that the various food related businesses such as supermarkets, grocery stores, convenience stores, and specialty food stores are in fact operating as restaurants and providing restaurant services, I will only consider evidence of use of the terms MARCHÉ and MARKET with businesses offering services that are similar or identical to those of the Applicant.

[39] With these considerations in mind, I note the Palmer affidavit provides the following evidence. Of the 203 search results for the applications or registrations for trade-marks that include the term MARKET for use in association with various food related goods and services, there are approximately 30 allowed applications and registrations within the relevant period that are associated with services that are similar or identical to restaurant services. However, the evidence does not contain any information on the alleged dates of first use, or whether the applications are based on proposed use or foreign use, of the trade-marks. Examples of these 30 allowed application and registrations include:

- 100 MILE MARKET (Application no. 1,374,874 – Allowed)
- BIER MARKT (TMA571122) and ESPLANADE BIER MARKT (TMA554,097)

- COLUMBUS FISH MARKET – word and composite marks (TMA813,157 and TMA812,935)
- COUNTRY MARKET RESTAURANT & BUFFET (TMA493,875)
- MARCELLO’S MARKET & DELI (TMA701,837)
- MARKET BUFFET AND GRILL (TMA700,285)
- MARKET BY JEAN-GEORGES (TMA7854,353)
- MARKET LANE PIAZZA (TMA472,525)
- NEIGHBOURHOOD MARKET CAFÉ (TMA617,620)
- PACIFIC MARKET (TMA541,132)
- RESTAURANT MARKET STREET & Design (TMA510,446)
- THE FISH MARKET RESTAURANT (TMA504,135)

[40] Moreover, of the 74 search results for the applications or registrations for trade-marks that include the term MARCHÉ for use in association with services that are similar or identical to restaurant services, there is only one application within the relevant period. Once again, the evidence does not contain any information on the alleged date of first use, or whether the application is based on proposed use or foreign use, of the trade-mark:

- PLACE DU MARCHÉ (Application no. 1,147,159 – Allowed)

[41] The vast majority of the remaining search results are for applications and registrations of trade-marks that include the term MARKET or MARCHÉ with food products, or grocery stores, supermarkets, convenience stores, and specialty food stores, all of which are places that buy and sell food items that are fundamentally different from services offered by restaurants.

[42] State of the register evidence is usually purported to show the commonality or distinctiveness of a trade-mark or portion of a trade-mark in relation to the register as a whole, insofar as inferences may be made with respect to the state of the marketplace, when a significant number of pertinent registrations are located [see *Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Welch Foods Inc v Del Monte Corp* (1992), 44 CPR (3d) 205 (FCTD); and *Maximum Nutrition Ltd v Kellogg Salada Canada Inc* (1992), 43 CPR (3d) 349 (FCA)]. Since state of the register evidence shows use of certain words as a trade-mark, i.e. source identifier, it seems almost counterintuitive to use state of the register evidence to show that certain words cannot function as trade-marks as they are allegedly commonly used in the trade to describe the character or quality of a particular kind of good or service.

[43] Moreover, while the Palmer affidavit shows that there are a considerable number of third parties providing restaurant services in association with trade-marks that include the word MARKET in Canada, third party use is only relevant to the issue of descriptiveness to the extent that it shows other traders using a term *in a descriptive sense* in order to describe their goods and services, but not as part of a trade-mark, a trade-name or a business name used to identify their own restaurant services. This state of the register evidence is insufficient to show that the normal or reasonable person, bilingual or otherwise, would perceive the term MARCHÉ, or its English equivalent MARKET, as clearly descriptive of the character or the quality of restaurant services, take-out restaurant services, or the offering of technical assistance in the establishment and operation of restaurant franchises, as a matter of first impression.

[44] I further note that even though the Opponent alleges that the average consumer's first impression of the Mark would be of a "marché(market)-style" restaurant (sit down or take-out), it failed to provide evidence pertaining to what has been commonly adopted as a "marché(market)-style" restaurant in the industry. In the end, there is no evidence that any of the restaurants identified by the Opponent are places commonly known in the industry as "marché(market)-style" restaurants "where meals are displayed or prepared at different stations that consumers approach and assess before ordering, in the same manner that consumers have for centuries shopped at other types of markets, such as farmers markets and fish markets".

[45] I would add that even if the Applicant is proposing to use the Mark in association with restaurants inspired by the idea of a public market, of which there is no evidence of record, there is no evidence that the normal or reasonable person would understand what a "marché(market)-style" restaurant entails as a matter of first impression. In such a case, the term MARCHÉ would merely be suggestive of a particular theme chosen by the owner of the restaurant, but not clearly descriptive of the character or quality of restaurant services.

[46] In *Worldwide Diamond Trademarks Limited v Canadian Jewellers Association* 2010 FC 309 aff'd by 2010 FCA 326, the Federal Court makes the following remarks regarding the purpose of section 12(1)(b) and the notion of monopoly in para 47 and 48:

The purpose of section 12(1)(b) was aptly set out by Justice Cattanach in *GWG Ltd. v. Registrar of Trade Marks* (1981), 55 C.P.R. (2d) 1, at paragraph 37, where he quotes

from the decision in *Eastman Photographic Materials Co. Ltd. v. Comptroller-General of Patents, Designs and Trade Marks*, [1898] A.C. 571 at 580 per Lord Herschell:

... any word in the English language may serve as a trade-mark – the commonest word in the language might be employed. In these circumstances it would obviously have been out of the question to permit a person by registering a trade-mark in respect of a particular class of goods to obtain a monopoly of the use of a word having reference to the character or quality of these goods. The vocabulary of the English language is common property: it belongs alike to all; and no one ought to be permitted to prevent the other members of the community from using for purposes of description a word which has reference to the character or quality of goods.

If, then, the use of every word in the language was to be permitted as a trade-mark, it was surely essential to prevent its use as a trade-mark where such use would deprive the rest of the community of the right which they possessed to employ that word for the purpose of describing the character or quality of goods.

[My Underlining]

[47] In my view, having regards to the dictionary definitions and the relevant evidence submitted by the Opponent with respect to the section 12(1)(b) ground, the evidence does not support a finding that the terms MARCHÉ and MARKET describe something that goes to the material composition or that refers to an obvious intrinsic quality of the Applicant's restaurant services, take-out restaurant services, or the offering of technical assistance in the establishment and operation of restaurant franchises, on a matter of first impression in the mind of a normal or reasonable person [see *ITV Technologies, supra*]. Neither term is self-evident, plain, or manifest, of restaurant services (sit-in or take-out), which speak to services that go beyond the simple act of selling and buying food products, but instead puts the emphasis on the preparation and the service of meals to customers in an establishment.

[48] Moreover, it cannot be said that the character or quality of the Applicant's restaurant and take-out restaurant services are instantly apparent to a normal or reasonable person on a matter of first impression of a trade-mark bearing the term MARCHÉ [see *Ontario Teachers Pension Plan Board v Canada (Attorney General)* 2012 FCA 60]. While there is evidence that the term MARKET is used in trade-marks, trade-names, and business names for restaurant services, there is no clear evidence of what character or quality of restaurant services it has been commonly adopted to describe in the industry. I would further note that the connection that exists between

term MARCHÉ and the offering of technical assistance in the establishment and operation of restaurant franchises is even more remote, if any.

[49] Accordingly, I dismiss the ground of opposition based on section 12(1)(b) of the Act.

Is the Mark Adapted to Distinguish the Applicant's Services?

[50] The Opponent pleads that the Mark is not distinctive under section 2 of the Act in that it is not adapted to distinguish nor is it capable of distinguishing the services in association with which the Mark will be used by the Applicant “from trade-marks, trade-names or business names used by a number of third parties which contain the word ‘marche’ or ‘market’ in association with similar or identical services”, examples of which are attached as Schedules A to C to the Amended Statement of Opposition.

[51] In its written argument, the Opponent submits that the Mark cannot serve as a source signifier (1) as the Applicant is attempting to improperly monopolize the use of a term that is commonly used by third parties in the trade to describe services that are the same as the applied for services and (2) that the Mark is clearly descriptive of the character or quality of the applied for services.

[52] In *Canadian Council of Professional Engineers v. APA – Engineered Wood Association* (2000), 7 CPR (4th) 239 (FCTD), the Court noted that “while it may be true that a purely descriptive or a deceptively misdescriptive trade-mark is necessarily not distinctive, it is not correct to hold that merely because a mark is adjudged *not* to be either purely descriptive or deceptively misdescriptive, it is therefore distinctive” [para 49].

[53] The material date for assessing distinctiveness is generally accepted as being the date of filing of the opposition, in this case August 9, 2011 [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FCTD)]. The legal onus is on the Applicant to show that the Mark actually distinguishes or that it is adapted so to distinguish its services from those of others throughout Canada [see *Muffin Houses Inc v The Muffin House Bakery Ltd* (1985), 4 CPR (3d) 272 (TMOB)]. However, there is an initial evidential burden on the Opponent to establish the facts relied upon in support of the ground of non-distinctiveness.

[54] As evidence of third party use of the terms MARCHÉ and MARKET, the Opponent relies on the search results extracted from the *Canadian Trade-mark Database* set out in the Palmer affidavit, as well as the online search results, as well as the phone calls and visits to businesses in Canada set out in the investigative reports in the Meadway affidavit, the Breton affidavit and the Crépeault affidavit, previously mentioned under the section 12(1)(b) analysis.

[55] In response to the Opponent's allegations of non-distinctiveness, the Applicant reiterates its argument that the evidence is flawed and that in any case, the evidence does not establish use of names or marks sufficient to negate the distinctiveness of the Mark in association with restaurant services.

[56] For the reasons that follow, I dismiss the non-distinctiveness ground.

[57] For a proposed trade-mark to be adapted to distinguish the owner's goods or services, it has to be inherently distinctive [see *AstraZeneca AB v Novopharm Ltd*, 2003 FCA 57 para 16]. A trade-mark is inherently distinctive when nothing about it refers the consumer to a multitude of sources [see *Compulife Software Inc v CompuOffice Software Inc* 2001 FCT 559 para 19]. As noted by Justice Bédard in *Philip Morris Products SA v Imperial Tobacco Canada Limited* 2014 FC 1237, citing *Apotex Inc v Canada (Registrar of Trade-marks)* 2010 FC 291, whether a trade-mark is distinctive is a question of fact that is determined by reference to the message that it conveys to the ordinary consumer of the goods or services in question when the trade-mark is considered in its entirety as a matter of first impression.

[58] Moreover, the Federal Court of Appeal notes that the distinctiveness of a composite mark may be tested by "sounding" the words if the design element is found not to be dominant, such as the present case [see *Worldwide Diamond Trademarks Limited, supra*].

[59] When the evidence is reviewed in its entirety, I am not satisfied that the Opponent has met its initial evidential burden to show that MARCHÉ or MARKET is a term commonly used by third parties in the trade to describe the applied for services or that the Mark is clearly descriptive of the character or quality of those services.

[60] Once again, I agree with the Applicant that evidence of use of the term MARCHÉ or MARKET in association with other types of food related businesses such as supermarkets,

grocery stores, specialty food stores and convenience stores, has no bearing on the question of whether or not the term MARCHÉ clearly describes, or even describes, restaurant services, take-out restaurant services, and the offering of technical assistance in the establishment and operation of restaurant franchises, as the former businesses offer services that are fundamentally different from those of a restaurant.

[61] With respect to the allegation that the Mark is not distinctive as it is clearly descriptive of the character or quality of the applied for services, it fails for the same reasons as those set out under the section 12(1)(b) analysis.

[62] With respect to the issue of whether the Mark is a term commonly used in the trade to describe similar or identical services by third parties, I have previously found that the evidence fails to show that the term MARKET or MARCHÉ has been adopted by the restaurant industry to describe a particular style of restaurant or that it holds a commonly understood meaning in association with restaurant services. In this regard, even though the material date for the distinctiveness ground of opposition falls on a later date, the different dates do not result in a different outcome in the present case.

[63] In view of the later material date, the Palmer affidavit further shows a dozen more third party applications and registrations for the provision of restaurant services in association with trade-marks that include the term MARKET in Canada. Even so, I remain of the view that this state of the register evidence does not speak to the descriptiveness of the term MARKET or MARCHÉ in association with restaurant services. At best, I can make an inference that the term MARKET is commonly used as part of trade-marks for restaurant services in the marketplace. However, that is not relevant as there is no allegation of confusion with respect to the use of trade-marks containing the term MARKET or MARCHÉ in the present case.

[64] As for the investigative reports, at the hearing, the Opponent submitted that while some investigations set out in the Meadway affidavit, the Crépeault affidavit, and the Breton affidavit, were completed after the material date, they should be taken into consideration to assess the distinctiveness of the Mark at the material date. From what I understand, the Applicant agreed at the hearing that there is case law to that effect even though the clarity of the overall picture of the

marketplace during the relevant period starts to fade as time passes. In the present case, since there is no objection and considering that the said evidence is merely several months past the material date, I am prepared to give this evidence some weight given the nature of the search results [see *Proctor & Gamble Company v Reckitt Benckiser (Canada) Inc*, 2015 TMOB 69].

[65] When the investigative reports are viewed in their entirety, I note that a vast majority of the establishments visited by the Opponent's affiants are characterised as convenience stores, grocery stores, public markets, supermarkets, and specialty food stores. As for businesses categorised as restaurants in online business directories with names that include the term MARKET, as well as statements to the effect that the investigators have contacted a number of restaurants with names that include the term MARKET or MARCHÉ in various cities, I would note that once again, there is no evidence to suggest that these restaurants share a commonly known character or quality that non "marché(market)-style" restaurants do not, or that a commonly understood meaning is attached to restaurants that are identified as MARKET or MARCHÉ. In other words, the evidence does not show that the term MARCHÉ or MARKET would be perceived by the average consumer of restaurant services as anything else but a source identifier.

[66] In the end, the evidence simply shows that there are numerous third party businesses whose restaurant services are identified by trade-marks, trade-names and business names that include the term MARKET, and to a much smaller extent, the term MARCHÉ. However, without any allegation of confusion with these third party trade-marks or trade-names, the mere fact that the term MARKET or MARCHÉ appears as part of other source identifiers does not render the Mark incapable of functioning as a source identifier for the Applicant's services.

[67] In view of the above, I dismiss the non-distinctiveness ground of opposition.

Is the Mark the Name of the Services?

[68] The Opponent alleges that contrary to section 12(1)(c) of the Act, the Mark is not registrable because it is the name of "restaurant services" and "take-out restaurant services".

[69] The material date for assessing a section 12(1)(c) ground of opposition is the date of my decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)].

[70] As pointed out by the Applicant, the test under section 12(1)(c) of the Act is narrower than that on the use of descriptive terms [see *Unitel Communications Inc v Bell Canada* (1995) 92 FTR 161]. Moreover, for a section 12(1)(c) ground to succeed, the trade-mark as a whole must clearly be the name of the goods or services, based on the immediate and first impression of the everyday user of the goods or services [see *ITV Technologies, supra*]. It is noted that non-distinctive elements of a composite mark cannot render the latter registrable when the dominant written component violates section 12(1)(c) of the Act [see *Ottawa Athletic Club, supra*, para 228 – 229].

[71] The initial evidential burden on the Opponent is to adduce sufficient evidence in support of its allegation that the Mark is the name of the applied for services. It has not done so.

[72] There is simply no evidence to support the Opponent's allegation that the term MARCHÉ is the name of restaurant services or of take-out restaurant services. On the contrary, based on the dictionary definitions mentioned previously and the Opponent's own evidence, the terms MARKET and MARCHÉ appear to describe, and are commonly used with, supermarkets, grocery stores, and convenience stores, but not restaurant services. Moreover, there is no evidence that restaurant services are known as "market services" or "marché services".

[73] As such, I find that the Opponent has failed to adduce sufficient evidence to show that the term MARCHÉ is the name of any of the applied for services.

[74] In view of the foregoing, I dismiss the section 12(1)(c) ground of opposition.

Disposition

[75] 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

Hearing Date: July 29, 2015

Appearances

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