

IN THE MATTER OF AN OPPOSITION by Edolf William Eliason to application No. 759,375 for the trade-mark XCLAMATIONS filed by Shachihata Inc.

On July 13, 1994, the applicant, Shachihata Inc., filed an application to register the trade-mark XCLAMATIONS based upon proposed use of the trade-mark in Canada in association with:

“Stationery, namely rubber stamps including dating stamps, numbering stamps and rubber hand stamps, stamp pads and ink for stamps, adhesive tapes, inks, chalk, adhesive paste, artist's brushes, pen's for signing, marking pens, fountain pens, ball-point pens, roller pens, mechanical pencils, paper clips, erasers, letter openers, stencil papers, drawing rulers and rulers; paper clips and paper holders with magnets, plastic sheets provided with magnets; mimeographs and copying machines; binders, bags and folders for documents; vermilion ink pads, vermilion inks; paper knives and cutters (stationery); white boards.”

The present application was advertised for opposition purposes in the *Trade-marks Journal* of August 16, 1995 and the opponent, Edolf William Eliason, filed a statement of opposition on October 10, 1995, a copy of which was forwarded to the applicant on November 16, 1995. The applicant served and filed a counter statement on December 12, 1995.

The opponent submitted as its evidence the affidavit of Edolf William Eliason while the applicant filed as its evidence the affidavit of Shinkichiro Funahashi. The opponent submitted a second affidavit of Edolf William Eliason as evidence in reply. Both parties submitted a written argument and neither party requested an oral hearing.

In his statement of opposition, the opponent asserts that he is the owner of the trade-marks XPRESSIONS and XPRESSIONS & Design, registration Nos. 334,351 and 337,462, covering “Rubber and synthetic stamps of all kinds”, which he has used since at least as early as 1987. According to the opponent, the concurrent use of the applicant's trade-mark XCLAMATIONS and his trade-marks in the same area would be likely to lead to the inference that the wares associated with such marks were manufactured or sold by the same person. Consequently, the opponent alleged that the applicant's trade-mark XCLAMATIONS is not registrable and not distinctive, and that the applicant is not the person entitled to its registration.

In his first affidavit, Mr. Eliason states that he was engaged in the wholesale distribution and sale of rubber stamps and synthetic stamps in Canada through his privately-owned private company, Canex Products Corporation, from August 1974 to June 30, 1994 and, about October of 1986, he caused Canex to introduce commercially a new line of pre-inked motivational and self-expression stamps intended mainly for the school market under the trade-marks XPRESSIONS and XPRESSIONS & Design. According to the affiant, the designs for the stamps sold under the trade-marks were conceived and drawn originally by George M. Patey, a Director and Vice-President of Canex, and Mr. Patey permitted Canex to use his designs for the stamps.

Mr. Eliason asserts that in 1990, he agreed to sell Shachihata Inc. (U.S.A.) of Los Angeles, California, 49% interest in Canex but since Shachihata Inc. was not interested in the sale of the motivational and self-expression stamps, the trade-marks XPRESSIONS and XPRESSIONS & Design were transferred to himself personally in July 1990. According to the affiant, Shachihata Inc. acquired the 49% interest in Canex in March 1991 but that Canex continued selling the motivational and self-expression stamps pursuant to an informal license from him and, as a matter of goodwill towards Shachihata, he did not require Canex to account separately for the sale of such stamps and the use of his trade-marks. Further, in the latter part of 1993, Mr. Eliason claims that discussions began with Mr. Tadao Asano, President of Shachihata Inc., toward the purchase of his 51% controlling interest in Canex including initially the right to use the trade-marks XPRESSIONS and XPRESSIONS & Design, as confirmed by Exhibit "B" to the affidavit. However, the affiant states that he was subsequently informed that Mr. Asano's principals did not want the purchase of the trade-marks to be included with the purchase of the 51% share of Canex and that he subsequently entered a written Share Purchase Agreement [June 30, 1994] whereby the opponent sold his 51% share interest in Canex. The Sale Agreement included provisions whereby Canex could continue to use the trade-marks XPRESSIONS and XPRESSIONS & Design until the sooner of December 31, 1994 or until Shachihata Inc. had exhausted all existing inventory then in its possession containing or otherwise exhibiting the trade-marks. In October of 1994, Mr. Eliason notes that he learned that Canex (now wholly-owned by Shachihata Inc.) was proposing to market and sell teachers' motivational stamps in association with the trade-mark XCLAMATIONS with the identical designs and order numbers which Canex had used for years under his trade-marks.

The applicant submitted as its evidence the affidavit of its President and Representative Director, Shinkichiro Funahashi. In paragraphs 10 and 14 of his affidavit, Mr. Funahashi refers to design registrations, or the equivalent, which the applicant obtained in various countries for a stamp which the affiant characterizes as being the original model of the motivational and self-expression stamps referred to in the Eliason affidavit. However, the stamps identified by Mr. Eliason in his first affidavit relate to the design impressions printed by the stamp when it is used and not to the shape and configuration of the stamping device, the subject matter of the design registrations. This is confirmed by Mr. Eliason in his reply affidavit and was, in any event, apparent from the first Eliason affidavit.

Mr. Funahashi also states that motivational and self-expression stamps marketed in Canada bearing the trade-mark XPRESSIONS have not been marketed by Mr. Eliason personally, but rather by Canex and that any goodwill attaching to the sales of stamps bearing the trade-mark rightfully belonged to Canex and thereafter to its successor, Shachihata Canada Corp., Canex Products Corp. having changed its name to Shachihata Canada Corp. effective January 9, 1995. However, Mr. Eliason asserts in first affidavit that the trade-marks XPRESSIONS and XPRESSIONS & Design were transferred to himself personally by Canex in July 1990 but that Canex continued selling the motivational and self-expression stamps pursuant to an informal license subsequent to that date. In his reply affidavit, Mr. Eliason elaborates on this arrangement and points out that since he was President and majority shareholder of Canex, he had at all times the power to control the character and quality of the stamps sold under the trade-marks. This evidence was not challenged by the applicant by way of cross-examination nor did it seek leave to adduce further evidence which might have contradicted Mr. Eliason's statements.

The first ground of opposition is based on Paragraph 12(1)(d) of the *Trade-marks Act*, the opponent asserting that the applicant's trade-mark is not registrable in that the mark XCLAMATIONS is confusing with his registered trade-marks XPRESSIONS and XPRESSIONS & Design, registration Nos. 334,351 and 337,462, covering "Rubber and synthetic stamps of all kinds". In assessing whether there would be a reasonable likelihood of confusion between the trade-marks at issue within the scope of Subsection 6(2) of the *Trade-marks Act*, the Registrar must have

regard to all the surrounding circumstances including, but not limited to, those which are specifically enumerated in Subsection 6(5) of the *Act*. Further, the Registrar must bear in mind that the legal burden is upon the applicant to establish that there would be no reasonable likelihood of confusion between the trade-marks at issue as of the date of my decision, the material date in relation to the Paragraph 12(1)(d) ground [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks*, 37 C.P.R. (3d) 413 (F.C.A.)].

With respect to Paragraph 6(5)(a) of the *Act*, the applicant's XCLAMATIONS trade-mark is inherently distinctive as applied to the wares covered in the present application in that it is neither descriptive nor suggestive of the applicant's wares, nor does it otherwise possess any other apparent significance which would detract from its inherent distinctiveness. Likewise, the opponent's registered trade-marks XPRESSIONS and XPRESSIONS & Design are inherently distinctive as applied to the wares covered in the opponent's registrations, namely, rubber and synthetic stamps of all kinds.

The applicant commenced use of its trade-mark XCLAMATIONS in Canada on January 1, 1995 and, as of the date of the Funahashi affidavit [January 3, 1997], the applicant's sales in Canada of motivational and self-expression stamps bearing the trade-mark XCLAMATIONS through its licensee, Shachihata Canada Corp., have exceeded \$20,000. However, no evidence of use of the trade-mark XCLAMATIONS in association with any of the other wares covered in the present application has been adduced by the applicant. The Eliason affidavit establishes that the opponent has used his trade-marks XPRESSIONS and XPRESSIONS & Design in Canada in association with motivational and self-expression stamps through Canex Products Corporation pursuant to an informal license subsequent to the transfer of the trade-marks from Canex to the opponent in July 1990 and that the marks were used prior to that date by Canex as predecessor-in-title of the opponent. As noted in the Eliason reply affidavit, the opponent was President and majority shareholder of Canex until June of 1994 and therefore had at all times up to that date the power to control the character and quality of the stamps sold under the trade-marks. However, no information has been provided by the opponent as to the volume or dollar value of his sales in Canada and I am therefore unable to determine the extent to which his trade-marks have become known. Consequently, the extent to

which the trade-marks at issue have become known weighs slightly in the applicant's favour. On the other hand, the length of time the trade-marks have been in use favours the opponent, the predecessor-in-title of the opponent, Canex Products Corporation, having commenced use of the trade-marks XPRESSIONS and XPRESSIONS & Design in Canada in association with motivational and self-expression stamps in October 1986.

As for the nature of the wares of the parties and their respective channels of trade, the applicant's rubber stamps including dating stamps, numbering stamps and rubber hand stamps, stamp pads, ink for stamps, vermilion ink pads and vermilion inks overlap the opponent's rubber and synthetic stamps of all kinds and, in fact, the motivational and self-expression stamps sold by the parties, which fall within their respective statements of wares, appear to be identical and have travelled through the same channels of trade. However, the opponent's wares differ specifically from the remaining wares covered in the present application although the wares of both parties fall within the general category of office and school supplies and stationery. Furthermore, I would expect that the opponent's rubber and synthetic stamps could well travel through the same channels of trade as the remaining wares covered in the present application, namely, adhesive tapes, inks, chalk, adhesive paste, artist's brushes, pen's for signing, marking pens, fountain pens, ball-point pens, roller pens, mechanical pencils, paper clips, erasers, letter openers, stencil papers, drawing rulers and rulers; paper clips and paper holders with magnets, plastic sheets provided with magnets; mimeographs and copying machines; binders, bags and folders for documents; paper knives and cutters (stationery); white boards.

The applicant's trade-mark XCLAMATIONS and the opponent's registered trade-marks XPRESSIONS and XPRESSIONS & Design bear a fair degree of similarity in appearance and some degree of similarity in their sounding when the marks are considered in their entirety as a matter of immediate impression. With respect to the ideas suggested by the trade-marks at issue, I would note that the word "exclamation" is defined in the WWWebster Dictionary as: "a sharp or sudden utterance" and a "vehement expression of protest or complaint" while the word "expression" is defined as follows:

1 a : an act, process, or instance of representing in a medium (as words) :

UTTERANCE <freedom of expression> b (1) : something that manifests, embodies, or symbolizes something else <this gift is an expression of my admiration for you> (2) : a significant word or phrase (3) : a mathematical or logical symbol or a meaningful combination of symbols (4) : the detectable effect of a gene; also : EXPRESSIVITY 1 2 a : a mode, means, or use of significant representation or symbolism; especially : felicitous or vivid indication or depiction of mood or sentiment <read the poem with expression> b (1) : the quality or fact of being expressive (2) : facial aspect or vocal intonation as indicative of feeling 3 : an act or product of pressing out

Thus, the applicant's trade-mark XCLAMATIONS suggests a particular type of expression, that is, expressions of protest, and therefore is closely related to the idea suggested by the opponent's trade-mark XPRESSIONS.

As a further surrounding circumstance, the applicant has submitted that it is the owner of the trade-mark XSTAMPER Design, registration No. 158,766, covering stamps of all kinds. However, apart from the statement in the Funahashi affidavit that the applicant commenced use of the mark in Canada as early as June 30, 1967, little evidence has been furnished by the applicant relating to the extent of its use of the trade-mark XSTAMPER Design in Canada. Furthermore, as pointed out by the hearing officer in *Coronet-Werke Heinrich Schlerf GmbH v. Produits Menagers Coronet Inc.*, 4 C.P.R. (3d) 108, at p. 115, Section 19 of the *Trade-marks Act* does not give the owner of a registration the automatic right to obtain any further registrations no matter how closely they may be related to the original registration [see also *Groupe Lavo Inc. v. Proctor & Gamble Inc.*, 32 C.P.R. (3d) 533, at p. 538]. While the decision of the hearing officer was reversed on appeal [see *Produits Menagers Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH*, 10 C.P.R. (3d) 482], it was on the basis of new evidence filed on appeal that the applicant had used its previously registered trade-mark in Canada. As a result, I do not consider that the existence of the applicant's registration for the trade-mark XSTAMPER Design is of any relevance to the issues in this opposition.

Having regard to the degree of resemblance between the trade-marks at issue and the fact that the wares of the parties are the same or are closely related and would travel through the same channels of trade, I find that the applicant has failed to meet the legal burden upon it in respect of the issue of confusion in relation to the Paragraph 12(1)(d) ground of opposition. Thus, the first

ground is successful.

In view of the above, I do not propose to consider the remaining grounds of opposition in detail. However, I am satisfied that the opponent has met the initial burden upon it under Subsections 16(5) and 17(1) of the *Trade-marks Act* in respect of the non-entitlement ground and the evidential burden upon it in relation to the non-distinctiveness ground. Further, as of the applicant's filing date and the date of opposition, the material dates for assessing the non-entitlement and non-distinctiveness grounds respectively, the applicant has failed to show that there would be no reasonable likelihood of confusion between its trade-mark XCLAMATIONS as applied to the wares covered in the present application and the opponent's trade-marks XPRESSIONS and XPRESSIONS & Design. As a result, these grounds are also successful.

Having been delegated by the Registrar of Trade-marks pursuant to Subsection 63(3) of the *Trade-marks Act*, I refuse the applicant's application pursuant to Subsection 38(8) of the *Trade-marks Act*.

DATED AT HULL, QUEBEC THIS 12th DAY OF NOVEMBER, 1998.

G.W. Partington
Chairperson
Trade-marks Opposition Board