

**IN THE MATTER OF AN OPPOSITION by
The Courtyard Restaurant Inc. to Application
No. 1,001,979 for the trade-mark
COURTYARD filed by Marriott Worldwide
Corporation**

On January 13, 1999, Marriott Worldwide Corporation (the “Applicant”) filed an application to register the trade-mark COURTYARD (the “Mark”). The Mark has been applied for registration in association with “hotel, restaurant, catering, and bar services; operation of lounges; provision of facilities for meetings, conferences and exhibitions; reservation services for hotel accommodations” on the basis of use in Canada since at least as early as July 24, 1997.

The application was advertised in the *Trade-marks Journal* of March 29, 2000. The Courtyard Restaurant Inc. (the “Opponent”) filed a statement of opposition on August 29, 2000. The grounds of opposition can be summarized as follows:

1. The application does not comply with s. 30(i) of the *Trade-marks Act* R.C.S. 1985, c. T-13 (the “Act”), in that the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the services described in the application. The Applicant was aware at all material times that an identical trade-mark was and is used by the Opponent and/or its predecessor-in-title Court Yard Inn Limited (the “Predecessor”).
2. The Applicant is not the person entitled to registration of the Mark pursuant to s. 16(1)(a) because at the filing date of the application, the Mark was confusing with the trade-mark COURTYARD previously used and made known in Canada by the Opponent and/or the Predecessor since at least as early as July 1980.
3. The Applicant is not the person entitled to registration of the Mark pursuant to s. 16(1)(c), in that at the filing date of the application, the Mark was confusing with the corporate name The Courtyard Restaurant Inc. and the trade name Courtyard Restaurant previously used by the Opponent since at least as early as December 31, 1994 and/or the Predecessor since at least as July 1980.

4. The Mark is not distinctive because it does not distinguish and is not adapted to distinguish the services of the Applicant from the services of others, including the services associated with the Opponent's trade-mark COURTYARD and trade names The Courtyard Restaurant Inc. and Courtyard Restaurant.

On November 16, 2001, the Applicant was granted leave to file an amended counter statement dated June 20, 2001. In addition to essentially denying the grounds of opposition, the Applicant alleges that the Opponent's trade-mark COURTYARD is confusing with the Applicant's trade-mark THE COURTYARD CAFE of Registration No. TMA205,682.

Each party has filed evidence, written arguments and was represented at the oral hearing.

Material dates

The material date for considering the circumstances with respect to the ground of opposition based upon non-compliance with s. 30 of the Act is the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.)]. The material date for considering the circumstances respecting the issue of entitlement pursuant to s. 16(1)(a) and s. 16(1)(c) of the Act is the date of first use alleged in the application. At page 20 of its written arguments, the Opponent submits that "the relevant date for assessing the distinctiveness of the trade-marks and trade-name is the date of the disposition of the proceedings bringing it into question, i.e. the Opposition Board's decision". Contrary to the Opponent's submission, the material date with respect to the ground of opposition based upon distinctiveness has been generally accepted as the date of filing of the statement of opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)].

Opponent's evidence

The evidence, filed pursuant to rule 41 of the *Trade-marks Regulations (1996)* (the "Regulations"), consists of an affidavit of Phillip Wasserman dated February 12, 2001. Although the Applicant obtained an order for the cross-examination of Mr. Wasserman, it did not conduct the cross-examination. On August 21, 2006, the Opponent requested leave to file additional

evidence pursuant to rule 44(1) of the Regulations, which request was denied by the Registrar on August 24, 2006.

As a first matter, I wish to address the Opponent's reliance upon the decision *Andres Wines Ltd. v. E.J. Gallo Winery* (1975), 25 C.P.R. (2d) 126 (F. C.A.) in support of its argument that in the absence of cross-examination, the evidence introduced by Mr. Wasserman is uncontested and could not be discounted. I accept that in the absence of cross-examination, Mr. Wasserman's statements are receivable and are entitled to be considered. Nonetheless, I believe that the lack of cross-examination does not prevent me from assessing the value of the statements to determine what conclusions should be drawn from them. In that regard, I note the following comments of Justice Thurlow in the *Andres Wines* decision:

5 [...] *As there was no cross-examination it seems to me that, save in so far as a sound objection has been shown, they [the affidavits] are receivable and are entitled to be considered for what they do say and what inferences may properly be drawn from them and that as they are in no way contradicted, this Court is in as favourable a position [...] to determine what conclusions should be drawn from what they say as well as from the failure of the appellant to produce additional support for its attacks.* [Emphasis added]

Mr. Wasserman has been the President of the Opponent since December 31, 1994. He states that as President of the Opponent and from the Opponent's and the Predecessor's records, he has personal knowledge of the facts set forth in his affidavit.

Mr. Wasserman states that the Predecessor started operating a restaurant, now known as the Courtyard Restaurant, in July 1980 and that since then the Opponent or its Predecessor has operated a restaurant known as the Courtyard. A pamphlet describing the history of the premises for the restaurant located at 21 George Street in Ottawa is appended as Exhibit "A". The logo illustrated hereafter is displayed at the top of the first page:



At this time, I note that the above logo is displayed on various specimens accompanying the affidavit. Given the descriptive connotation attaching to the word "restaurant", I consider that any relevant evidence of use of the above logo, of one similar thereto, or of the word "courtyard"

combined with the word “restaurant”, within the meaning of s. 4(2) of the Act, amounts to use of the trade-mark COURTYARD [see *Canada (Registrar of Trade Marks) v Cie internationale pour l’informatique CII Honeywell Bull, S.A.*, (1985) 4 C.P.R. (3d) 523 (F.C.A.) and *Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R.(3d) 535 (T.M.O.B.)].

Paragraph 3 of the affidavit reads as follows:

*While the Opponent’s predecessor-in-title began to operate a restaurant known as the **Courtyard** in July of 1980, the Opponent itself has used its common law trade-mark **Courtyard** and/or **Courtyard Restaurant** and its trade-name **Courtyard Restaurant** in the normal course of trade continuously and extensively in Canada in association with the services of a restaurant and bar since at least as early as December 31, 1994 and has not abandoned such use of this trade-mark.*

At this time, I note that Mr. Wasserman’s collective reference to the Opponent’s “common law trade-mark Courtyard and/or Courtyard Restaurant and its trade-name Courtyard Restaurant” is occurring throughout the affidavit. In my view, introducing the evidence without distinguishing whether it relates to the trade-mark or to the trade-names alleged in the statement of opposition results in ambiguity that should be resolved against the Opponent [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.)]. Accordingly, I consider that the evidence introduced by Mr. Wasserman relates to the Opponent’s alleged trade-mark COURTYARD (the “Opponent’s Mark”), but not to the Opponent’s alleged corporate name The Courtyard Restaurant Inc. and the alleged trade name Courtyard Restaurant.

Mr. Wasserman filed as specimens of use a business card (Exhibit “B”), a menu from 1980 (Exhibit “C”), a menu from May 1994 (Exhibit “D”) and a current menu (Exhibit “E”) as well as a matchbook provided to the Opponent’s customers (Exhibit “F”). There is no evidence with respect to the distribution of the business card, nor is there any evidence relating to the distribution of the matchbook that displays THE COURT YARD RESTAURANT & PIANO PARLOR, as does the menu from 1980. I note that the front of the cover page of the May 1994 menu is identical to the front of the cover page of the current menu. The back of the cover page of both menus describes the history of the premises for the restaurant. Therefore, I find reasonable to conclude that the menu provided as Exhibit “E” is representative of menus that would have been in use in the Opponent’s restaurant starting on December 31, 1994.

The Applicant argues that since Mr. Wasserman failed to provide any information with respect to the date and the nature of the transaction whereby the Opponent acquired the rights into the Opponent's Mark, the Opponent cannot benefit from any use by its Predecessor. The agent for the Opponent acknowledged during the hearing that there was no documentary evidence of the assignment or information as to its date. Yet, relying upon the *Andres Wines* decision, the Opponent's agent argued that the statement is sufficient for evidencing that the Opponent has acquired the rights from the Predecessor and may benefit from the use of the Opponent's Mark by the Predecessor. I cannot accept the Opponent's argument. Rather, I agree with the Applicant that since there is no evidence as to the date and nature of the transaction whereby the Opponent acquired the rights into the Opponent's Mark, the Opponent may only rely upon its use of the Opponent's Mark since December 31, 1994. I would add that if I had accepted the Opponent's argument, it would have been necessary to address the Applicant's alternative argument that the evidence introduced by Mr. Wasserman with respect to the Predecessor's use constitutes inadmissible hearsay evidence. I would then have been mindful that the Applicant did not cross-examine Mr. Wasserman on his statements regarding his access to the Predecessor's records and his personal knowledge of its activities.

Mr. Wasserman provides pages from the Opponent's current website (Exhibit "G"), which were apparently printed out on January 29, 2001. In its written arguments, the Applicant discussed the Opponent's website noting that the URL was registered on November 25, 1999. The Applicant did not make any submissions as to the significance of the URL registration. Further, at the hearing, the Applicant's agent acknowledged that there was no evidence regarding the URL registration date. Since there is no reliable evidence or information as to the date the Opponent started operating its website, or any prior website, I find that Exhibit "G" evidences use of the Opponent's Mark in the advertising of the services on January 29, 2001. There is no evidence with respect to the numbers of Canadians having accessed the website.

According to Mr. Wasserman's allegation, the total revenues from the sale of services associated with the Opponent's Mark were in excess of \$5 million between the years 1995 and 2000. He does not provide an annual breakdown of the revenues.

Mr. Wasserman states that the Opponent spends an increasing number of time and money promoting its restaurant through various promotional activities, which include sale displays, coupon books, coupons in newspapers, newspapers and magazine advertisements and festival sponsorships. The following material is filed as advertisement specimens: an advertisement in the magazine *What's on/Voici Ottawa-Hull* of May 1984 (Exhibit "H"); an article published in the *Ottawa Business News* of August 28, 1987 (Exhibit "I"); restaurant reviews published in the *Ottawa Citizen* of May 6, 1988, May 25, 1988 and January 23, 1992 (Exhibits "J" to "L"); and the 2001 Ottawa Byward Market coupon booklet (Exhibit "M"). I do not afford any significance to Exhibits "H" to "L" as they predate December 31, 1994. In any event, the article and the reviews do not constitute advertisement of the Opponent's Mark [see *Williams Companies Inc. et al. v. William Tel Ltd.* (2000), 4 C.P.R. (4th) 253 (T.M.O.B.)]. The most that could be inferred from the article and the reviews is that a number of Ottawa citizens would have been informed about the restaurant operated by the Predecessor.

Mr. Wasserman deposes that the Opponent regularly participates in the Ottawa-Hull 2001 Winterlude/Bal de Neige. Presumably, the specific reference to the year 2001 should not have appeared in Mr. Wasserman's statement since he discusses the Opponent's "regular participation" to the Winterlude/Bal de Neige. Nonetheless, there is no evidence as to when the Opponent started participating in the winter festival. Mr. Wasserman's statement that the winter festival is a well-known winter festival attracting hundreds of thousands of visitor does not constitute reliable evidence. Mr. Wasserman provides a copy of the 2001 program booklet (Exhibit "N") stating that it is distributed throughout Canada in various newspapers. His statement does not constitute reliable evidence on the extent of the distribution of the program booklet, but I am prepared to infer that the 2001 program booklet would have been distributed at least in Ottawa-Hull (Gatineau) newspapers. He provides pages from the National Capital Commission's website, listing the Opponent as an Official Winterlude restaurant (Exhibit "O"). The website pages were apparently printed on February 8, 2001. There is no information on the number of Canadians having accessed the website.

Mr. Wasserman further deposes that the Opponent's restaurant is regularly promoted in the *Wedding Bells* magazine as well as on the Wedding Bells website as a potential reception site. He provides copy of an advertisement in the Spring/Summer 2001 issue of the magazine, which seems to be the Ottawa edition ("Exhibit P"). He also provides pages from the website, which were apparently printed out on February 2, 2001 (Exhibit "Q"). There is no evidence regarding the circulation of the *Wedding Bells* magazine nor is there any information with respect to the numbers of Canadians having accessed the website.

According to the allegations contained at paragraph 12 of the affidavit, the approximate dollar value of advertising and promotion in 1998 and 1999 was in excess of \$46,000 and \$47,000 respectively [I note that the Opponent's agent has acknowledged that the word "Applicant" at paragraph 12 of the affidavit should have read "Opponent"].

I do not afford much significance to Mr. Wasserman's statement that "the Opponent has generated extensive goodwill and reputation through the use of its common law trade-marks" (paragraph 13) as it relates to the issues to be decided by the Registrar. Furthermore, I do not afford any weight to his statement that the readers of *En Route* magazine chose the restaurant associated with the Mark as one of the 100 best restaurants in Canada in 1992 and 1994 (paragraph 14). In addition to predating December 31, 1994, no conclusion can be drawn with respect to the impact of the *En Route* magazine.

Finally, Mr. Wasserman states as follows (paragraph 15):

The Opponent is aware of instances of confusion between its restaurant and the hotel/restaurant premises of the Applicant. In particular, in Ottawa Byward Market, the premises of the Opponent and of the Applicant are located two blocks apart from one another. This close proximity of the two locations has resulted in patrons of each restaurant going to the wrong location for their dining reservation.

Relying upon the *Andres Wine* decision, the Opponent argues that Mr. Wasserman's statement cannot be discounted. The Applicant argues that the statement does not evidence actual confusion. The Opponent argues, and correctly so, that it is not necessary to have evidence of actual confusion [see *Oshawa Holdings Ltd. v. Fjord Pacific Marine Industries Ltd.* (1981), 55

C.P.R. (2d) 39 (F.C.A.)]. In the recent decision *Canadian Tire Corporation Limited v. Accessoires d'Auto Nordiques Inc.* 2006 FC 1431, Justice Blais stated:

*42. While actual confusion need not be proven to find a likelihood of confusion, the lack of evidence as to any actual confusion is a surrounding circumstance which the courts have found to be of significance. In the recent decision of the Supreme Court of Canada in *Mattel, Inc. v. 3894207 Canada Inc.*, [2006] S.C.J. No. 23, Justice Binnie stated at paragraph 55:*

*Evidence of actual confusion would be a relevant “surrounding circumstance” but is not necessary (*Christian Dior, S.A.*, at para 19) even where trade-marks are shown to have operated in the same market area for ten years: *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.). Nevertheless, as discussed below, an adverse inference may be drawn from the lack of such evidence in circumstances where it would readily be available if the allegation of likely confusion was justified. [emphasis added]*

Even if I am willing to accept the Opponent’s argument that Mr. Wasserman’s statement cannot be discounted, I do not think I can satisfactorily conclude that it amounts to evidence of actual confusion. If I am wrong in so finding, then I would conclude that the statement by itself falls short of evidencing when the instances of confusion have occurred and thus whether any of the alleged instances of confusion had occurred at the material date to be considered under each ground of opposition.


Applicant’s evidence

The evidence, filed pursuant to rule 42 of the Regulations, consists of affidavits of Anthony Colantino dated September 11, 2003 (the “first affidavit”) and September 25, 2003 (the “supplementary affidavit”). Mr. Colantino was cross-examined by the Opponent on June 23, 2004. The transcript of his cross-examination and replies to undertakings form part of the record. Rather than summarizing the cross-examination, I will refer to the portions that I consider relevant to my review of the evidence.

Mr. Colantino is the Director for Select Service and Extended Stay Lodging in connection with the hotels in Canada of Marriott International, Inc. (“Marriott International”) and its affiliates, which include the Applicant. At the time of the first affidavit, he had held this position for a year, but had been at the employment of Marriott International and its affiliates since January 1986. As

part of his duties, Mr. Colantino is responsible for helping to manage and monitor the use in his region, which includes Canada, of Marriott International's and of the Applicant's trade-marks including the marks COURTYARD, COURTYARD BY MARRIOTT and THE COURTYARD CAFE to which he collectively refers as the "COURTYARD Marks". I note that any ambiguity resulting from a collective reference the Applicant's trade-marks will be resolved against the Applicant [see *Conde Nast Publications Inc., supra*].

Mr. Colantino provides the corporate history of Marriott International and general information with respect to its activities. At the date of the first affidavit, Marriott International had more than 2,600 lodging properties in the United States and in 68 other countries and territories. Mr. Colantino deposes that the Applicant, a wholly owned subsidiary of Marriott International, owns certain trade-marks used in jurisdictions outside the United States, including Canada. He further deposes that these trade-marks include "the COURTYARD marks, the famous MARRIOTT mark and related and other trade-marks". Certificates of Authenticity for the following three registrations are provided with the first affidavit (Exhibits "A" to "C"):

<u>Trade-mark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>	<u>Services</u>
COURTYARD BY MARRIOTT	TMA494,208	Dec. 4, 1987	Hotel and restaurant services. Declaration of use filed April 23, 1998.
	TMA487,835	Jan. 20, 1998	Hotel services. Declaration of use filed December 4, 1997.
THE COURTYARD CAFE	TMA205,682	March 7, 1990	The operation of restaurants, dining rooms, dining lounges, lounges and generally outlets for the sale and service of food and beverages of all kinds. Used in Canada since at least as early as 1972.

The footnotes of Registration No. TMA205,682 indicate that the Applicant became its owner by assignment. The footnotes indicate September 19, 2000 as the date of registration of the assignment and June 16, 2000 as the date of change. While the Applicant pointed out that since filing its evidence, its trade-mark COURTYARD & Design of Application No. 1,181,273

matured to Registration No. TMA622,036, the said registration has not been introduced into evidence. At the hearing, the agent for the Opponent made various allegations with respect to the assignment of Registration No. TMA205,682. Suffice to say that the ownership, validity and enforceability of the said registration are not at issue in these proceedings. That said, ownership of the aforementioned registrations does not give the Applicant the automatic right to the registration of the Mark [see *American Cyanamid Co. v. Stanley Pharmaceuticals Ltd.* (1996), 74 C.P.R. (3d) 571 (T.M.O.B.)]. In view of submissions of the Applicant's agent at the hearing, I would add that the present proceedings do not decide if the Opponent's Mark is registrable.

In the supplementary affidavit, Mr. Colantino states that the Applicant licences others to use its COURTYARD Marks in Canada in association with services including hotel, restaurant and lounge services pursuant to licence or franchise agreements. He further states that these agreements provide that the Applicant has full control over the character and quality of the services offered under the COURTYARD Marks by the licensees or franchisees, and provide detailed guidelines and instructions regarding the use of the trade-marks and the services performed in association with them. According to Mr. Colantino's statements, the operations of the licensees and franchisees are closely supervised under the direct and/or indirect control of the Applicant, including through regular inspections of the businesses of Canadian licensees and franchisees therewith. The inspections are carried out by Mr. Colantino himself, by regional team members and by quality assurance inspectors that go twice a year to each hotel [pp. 45-46 of the transcript].

Mr. Colantino deposes that the Mark was first used in the United States in 1983 in the state of Georgia. The first COURTYARD hotel, opened in 1983, was located in Atlanta [p. 7 of the transcript]. Since the opening of the first COURTYARD hotel, numerous hotels have been opened across the United States, including states that are commonly frequented by Canadian travellers. At the date of the first affidavit, there were approximately 600 COURTYARD hotels in 11 countries, all offering hotel, restaurant, and lounge services. 540 of these hotels were located in the United States and in Canada. The first COURTYARD hotel in Canada opened in Montreal in July 1997. At the date of the first affidavit, there were nine COURTYARD hotels located in the following Canadian cities: Niagara Falls, Ottawa, Toronto (5 locations), Montreal

and Quebec City. Two more hotels, one in Hamilton, another in Toronto, were scheduled to open in 2004. A copy of the Marriott 2003-2004 Travel Directory for COURTYARD hotels operated throughout the world is provided (Exhibit “D”).

Mr. Colantino states that since its acquisition in 2000, the trade-mark THE COURTYARD CAFE has been continuously used in association with the operation of restaurants, dining rooms and dining lounges, and the sale of food and beverage and restaurant services in several restaurants in Canada. Their locations (Ottawa Downtown, Toronto Markham, Toronto Mississauga, Toronto Vaughan, Niagara Falls and the Toronto airport) were identified during cross-examination [p. 5 of the transcript].

Mr. Colantino states that customers from Canada heavily frequent Marriott hotels of all brands. According to statistics provided in the first affidavit, the number of customers arriving from Canada and having stayed in Marriott hotels of all brands around the world are as follows: 596,027 in 2000, for a total of 1,359,795 room nights, and 612,231 in 2001 for a total of 1,357,795 room nights. As for the number of customers arriving from Canada and having stayed in Marriott COURTYARD hotels around the world, they are as follows: 162,434 in 2001, for a total of 307,654 room nights, and 188,406 in 2002 for a total of 346,594 room nights. According to Mr. Colantino, the 2001 and 2002 figures with respect to Canadian customers having stayed in Marriott COURTYARD hotels around the world are representatives of the number for prior years. There is a 1-800 toll free telephone reservation services being offered in Canada for booking stays at COURTYARD hotels around the world.

According to Mr. Colantino, even guests staying at Marriott hotels of brands other than COURTYARD would have been exposed to the Mark as a result of these stays. During his cross-examination, Mr. Colantino was asked to explain his statement by giving an example of what he meant. He explained that the Applicant has over 600 Courtyard properties in North America and that the Courtyard Cafe, brand name for Courtyard, is used at many of the locations so if travellers come into the United States or travellers come in from Canada to the United States, they are familiar with the Courtyard Cafe if they stayed at a Courtyard By Marriott Hotel [pp.7-8 of the transcript]. Since Mr. Colantino specifically refers to “600 Courtyard properties in North

America” and to travellers having stayed at “a Courtyard By Marriott Hotel”, one could argue that his answers do not relate to guests staying at Marriott hotels of brands other than COURTYARD.

According to the annual figures provided in the first affidavit, the total sales for all services associated with the COURTYARD hotels from 1997 to 2003 (in part) were in excess of CA\$190 million and food and beverage sales for the same period exceeded CA\$19 million.

In his first affidavit, Mr. Colantino deposes that virtually all of the COURTYARD hotels operate restaurant and lounge areas, many of which display signs or provide point of sale advertising for the “COURTYARD restaurant or THE COURTYARD CAFE”. He provides photocopies of photographs, taken during the summer of 2001, of signage in the restaurant at the COURTYARD BY MARRIOTT hotel in Ottawa as representative specimens of signage (Exhibit “E”) as well as specimens of representative point of sale materials (Exhibits “F-1” to “F-15”; colour copies of Exhibits F-3, F-12 and F-14 were filed in reply to undertakings).

According to the information provided in the first affidavit, the hotel, restaurant and related services associated with the Mark are promoted through different means, namely: point of sale material (Exhibits “D”, “F-1” to “F-15”); the Internet; print advertising in Canadian newspapers and publications (Exhibits “G” to “J”, a colour copy of Exhibit “I” was provided in reply to an undertaking; see also Exhibit “A” to the supplementary affidavit); print advertising in publications which circulate into Canada from other jurisdictions; television commercials; annual seasonal promotions and promotional offers with other companies’ services (Exhibits “K” and “L”); the Marriott website (Exhibits “M” and “N”); and mailings to members of the MARRIOTT REWARDS loyalty program (Exhibit “O”). Mr. Colantino provides the number of members of the MARRIOTT REWARDS loyalty program residing in Canada for each year from 1997 to August 15, 2003. According to the annual figures provided in the supplementary affidavit, the Applicant’s total advertising expenditures in Canada for all promotional activities relating to the services associated with the COURTYARD marks were in excess of USD\$982,230 from 2001 to July 18, 2003.

In rounding up my analysis of the Applicant's evidence, I note that Mr. Colantino has been lengthily cross-examined on the trade-marks illustrated by Exhibits "F-1" to "F-15" [pp. 12-23 of the transcript] and by Exhibits "G" to "O" [pp. 23-45 of the transcript]. The Opponent in its written arguments focuses on the cross-examination of Mr. Colantino to argue that these exhibits cannot be relied upon to support the use of the Mark since at least as early as July 24, 1997 because they do not show use of the Mark, but rather show a multiplicity of composite marks having in their make-up the word "courtyard". It is true that some specimens show use of the word or design mark COURTYARD BY MARRIOTT or of the trade-mark THE COURTYARD CAFE, which I do not consider as use of the Mark. However, I am satisfied that use of the word "courtyard" in combination with design features, such as trees, or in combination with additional words identifying locations (for example Toronto Downtown, Toronto Airport) amounts to use of the Mark.

Analysis of the grounds of opposition

The grounds of opposition are essentially based upon allegations of prior use of the trade-mark COURTYARD and/or prior use of the corporate name The Courtyard Restaurant Inc. and the trade-name Courtyard Restaurant by the Opponent and/or by its Predecessor. I should remark that except for a general reference to services in the fourth ground of opposition, none of the pleadings in the statement of opposition specifies the services associated with the Opponent's alleged trade-mark, corporate name and trade-name. Deciding on the sufficiency of the pleadings by considering both the evidence and the statement of opposition [see *Novopharm Ltd. v. Astrazeneca et al* (2002), 21 C.P.R. (4th) 289 (F.C.A.)], I find that the Applicant could at the most understand that the Opponent was relying upon prior use of the alleged trade-mark, corporate name and trade-name in association with restaurant services.

Section 30(i)

While the legal burden is on the Applicant to show that the application complies with s. 30(i) of the Act, there is an initial evidential burden on the Opponent to establish the facts relied upon in support of the ground of opposition [see *Joseph E. Seagram & Sons Limited v. Seagram Real Estate Ltd.* (1984) 3 C.P.R. (3d) 325 (T.M.O.B.); *John Labatt Ltd. v. Molson Companies Ltd.* (1990) 30 C.P.R. (3d) 293 (F.C.T.D.)].

As the Opponent contends that the exhibits to the first affidavit do not support use of the Mark since the date claimed in the application, it argues that the Applicant has not complied with the requirement of s. 30 of the Act and, therefore, it is not entitled to the use of the Mark. I note that a ground of opposition challenging the alleged date of first use would have been properly based upon non-compliance with s. 30(b) of the Act. Since the Opponent has not pleaded such a ground of opposition, I am precluded from considering it [see *Imperial Developments Ltd. v. Imperial Oil Limited* (1984), 79 C.P.R. (3d) 12 (F.C.T.D.)]. The Opponent also argues that since there is no evidence supporting the alleged date of first use, the Applicant cannot rely upon use or registration of the Mark in the United States to properly make the statement required by s. 30(i) of the Act. The Applicant noted, and correctly so, that it does not rely upon use and registration of the Mark in the United States as a basis of the application. For all intents and purpose, I note that a ground of opposition challenging a basis of registration and use abroad would be properly based upon non-compliance with s. 30(d) of the Act.

I am not satisfied that the Opponent has met its initial burden to show that the Applicant was aware of the use of the Opponent's Mark at the material time. In any event, where an applicant has provided the statement required by s. 30(i) of the Act, a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]. In my view, there is no evidence to conclude to bad faith on the part of the Applicant. Further, and notwithstanding my prior remark with respect to the ownership of Registration Nos. TMA494,208 and TMA487,835, I agree with the Applicant that its ownership of these registrations at the material date was a strong basis for truthfully making the statement required by s. 30(i) of the Act.

In view of the above, I dismiss the first ground of opposition.

Non-entitlement

Despite the burden of proof on the Applicant to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the trade-mark and trade-names

alleged in the statement of opposition, the Opponent has the initial onus of proving that its alleged trade-mark and trade-names were being used at the material date (July 24, 1997) and had not been abandoned at the date of advertisement of the application (March 29, 2000) [s. 16(5) of the Act].

Section 16(1)(a)

Based on a fair reading of Mr. Wasserman's affidavit, I am satisfied that the Opponent has discharged its initial onus of showing its prior use of the Opponent's Mark, within the meaning of s. 4(2) of the Act, and non-abandonment of the Opponent's Mark in association with restaurant services. In that regard, I note that I have Mr. Wasserman's written testimony as to the use of the Opponent's Mark by the Opponent since December 31, 1994. He also provides the sales for a period prior to the material date and a menu (Exhibit "E") displaying the Mark.

The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class. In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act.

In the *Mattel, Inc.* decision, Justice Binnie made the following comments with respect to the assessment of the criteria under s. 6(5) of the Act:

*54 Within the "all the surrounding circumstances" test, s. 6(5) of the Act lists five factors to be considered when making a determination as to whether or not a trade-mark is confusing. These are: "(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; (b) the length of time the trade-marks or trade-names have been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them". The list of circumstances is not exhaustive and different circumstances will be given different weight in a context specific assessment. See *Gainers Inc. v. Marchildon* (1996), 66 C.P.R. (3d) 308 (F.C.T.D.). In opposition proceedings, as stated, the onus is on the applicant (here*

the respondent) to show on a balance of probabilities that there is no likelihood of confusion

(...)

56 What, then, is the perspective from which the likelihood of a “mistaken inference” is to be measured? It is not that of the careful and diligent purchaser. Nor, on the other hand is it the “moron in a hurry” so beloved by elements of the passing-off bar: Morning Star Co-Operative Society Ltd. v. Express Newspapers Ltd., [1979] F.S.R. 113 (Ch. D.), at p. 117. It is rather a mythical consumer who stands somewhere in between, dubbed in a 1927 Ontario decision of Meredith C.J. as the “ordinary hurried purchasers”: Klotz v. Corson (1927), 33 O.W.N. 12 (Sup. Ct.), at p. 13. See also Barsalou v. Darling (1882), 9 S.C.R. 677, at p. 693. [...].

Before assessing the likelihood of confusion, I remark that in its written arguments the Applicant acknowledged that the material date under the non-entitlement ground of opposition is the date of first use claimed in the application. However, when discussing the non-entitlement ground, the Applicant referred to evidence relating to the material date with respect to the distinctiveness ground of opposition. I recognize that since the non-entitlement and distinctiveness grounds of opposition are most often both based on a likelihood of confusion, it may be more practical to discuss them together. However, in instances where the difference between the material dates may impact the outcome of each ground, it would be best if parties discuss the evidence according to the relevant material date.

The Opponent in its written arguments referred to various decisions in which trade-marks were found to be confusingly similar. As interesting as these precedents may be, I note that the issue of confusion between the Mark and the Opponent’s Mark is a question of probabilities and surrounding circumstances based on the particular facts of this case.

s. 6(5)(a) - inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known

When considering the inherent distinctiveness of each trade-mark, I note that “courtyard” is a common English word, which is defined in *The Oxford Canadian Dictionary* as “an area enclosed by walls or buildings, often opening off a street”. Since a number of exhibits to Mr. Wasserman’s affidavit show that the restaurant is located in a courtyard, the Applicant argues that the Opponent’s Mark describes the venue of the restaurant and, as such, is clearly descriptive of the place of origin of the services and is not distinctive. In *Great Lakes Hotels Ltd. v. Noshery Ltd.* (1968), 56 C.P.R. 165, it was found that the word PENTHOUSE, which meaning

was accepted as referring to premises located on the roof or on the topmost floor of a building, was at the utmost suggestive of the character or quality of restaurant services and was not clearly descriptive of the place of origin of these services. In reaching his decision, Justice Cattanach stated:

However, as I have indicated above, the word "Penthouse" describes the location of the restaurant where such services are performed and does not, in my view, refer to the services there performed. Any covert allusion to the character or quality of those services is only remotely suggestive thereof.

(...)

The prohibition in section 12(1)(b) is directed against a word that indicates the place of origin of the services or wares. Obviously a word must signify some relationship of the wares to the place to render it not registrable as a trade mark. To be invalid the name must have been given to an article by a trader in such wares to acquire the benefit of a well known and generally recognized connection of the article with the locality. Examples of this readily occur such as "Florida" in association with oranges, "Ceylon, China, or Dargeeling" in association with tea among many others of like import. The name of a place of business or factory, however, is not necessarily descriptive of the place of origin of wares or services unless it can be said that such a name is indigenous to those wares and services.

I fail to follow how the word "penthouse" can have any such connotation. As a matter of first impression the word "Penthouse" does not convey to me any meaning that has a direct relationship with food, catering or restaurant services.

Having regard to the *Great Lakes* decision, I conclude that the Opponent's Mark is not clearly descriptive of the place of origin of the services and is at the utmost suggestive of their character or quality. By the same token, one might argue that the remote suggestive connotation also attaches to the Mark.

Although I am satisfied that the Opponent's Mark had become known at the material date, the evidence does not lead to the conclusion that it was well known outside the Ottawa region. In considering the Applicant's written arguments, I am in doubt as to whether the Applicant relies on the allegations of Canadian travellers having frequented COURTYARD hotels in the United States since 1983 as having an impact on the extent to which the Mark had become known in Canada at the date of first use claimed in the application. In any event, suffice to say that there is no evidence to suggest that the Mark had been made known in Canada by virtue of advertisement

of the Applicant's services in any publications circulated in Canada or in any radio broadcast prior to July 24, 1997 [see *Motel 6, Inc. v. No. 6 Motel Ltd.*, 56 C.P.R. (2d) 44 (F.C.T.D.)].

In view of the above, I consider that while neither party's trade-mark is inherently strong, the extent to which the trade-marks have become known favours the Opponent.

s. 6(5)(b) - the length of time each trade-mark has been in use

The length of time each trade-mark has been in use favours the Opponent.

s. 6(5)(c) and (d) - the nature of the services and the nature of the trade

The Applicant argues that I should take into consideration the fact that the Mark is used in a context of a hotel operating a restaurant whereas the Opponent's Mark is solely associated with a restaurant and, as such, each party has its own niche. The Opponent argues that there is no restriction in the statement of services that point to the Opponent's services being performed in a hotel. The Opponent further argues that each party's services relate to hospitality services.

Since there is nothing in the statement of services to suggest that the restaurant services associated with the Mark are incidental to its hotel services, I do not accept the argument that the parties' restaurant services are distinguishable. Further, I find it reasonable to conclude to an overlap between restaurant services and "catering and bar services; operation of lounges services". Accordingly, I find that there are no differences between the nature of trade when considering the Opponent's restaurant services and the services "restaurant, catering, and bar services; operation of lounges" associated with the Mark.

I find that hotel services and restaurant services are separate services [see *Ritz-Carlton Hotel Co. of Montreal Ltd. v. Federal Diversiplex Ltd.* (1979), 59 C.P.R. (2d) 123 (T.M.O.B.)]. As such, I agree with the Applicant that a hotel occupies a different niche than a restaurant. Also, there is no evidence that the Opponent's Mark had ever been used in association with hotel services or with overlapping services such as "provision of facilities for meetings, conferences and exhibitions; reservation services for hotel accommodations" at the material date or, for that matter, at anytime whatsoever.

s. 6(5)(e) - the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

The most crucial factor in most cases will be the degree of resemblance between trade-marks in appearance, sound or in ideas suggested by them [see *Beverley Bedding & Upholstery Co. v. Regal Bedding & Upholstery Ltd.* (1980) 47 C.P.R. (2d) 145 (F.C.T.D.), *affd* (1982), 60 C.P.R. (2d) 70 (F.C.A.)]. There are no differences between the trade-marks in appearance, sound and in the ideas suggested by them.

Additional circumstances

I do not agree with the Applicant that its ownership of prior registrations and applications for COURTYARD marks is an additional circumstance to be taken into consideration under this ground of opposition. No matter how closely the Mark can be related to earlier registrations, I reiterate that they do not give the Applicant the automatic right to the registration of the Mark.

The Applicant is arguing that I should take into consideration the fact that the Mark has been used in United States hotels visited by Canadians since 1983. I am not satisfied that the evidence of record is sufficient to consider such fact as a relevant circumstance in the determination of the likelihood of confusion at the material date. Also, if the Applicant properly contends that its trade-mark MARRIOTT is famous, which I am not deciding, it could be that Canadians having frequented the Applicant's hotels in the United States are likely, if not more likely, to have been familiar with the trade-mark MARRIOTT rather than with the Mark.

Finally, I do not believe that the issue of evidence of actual confusion, or lack thereof, has any impact on the outcome of this ground of opposition. I fail to understand how evidence of actual confusion would be readily available to the Opponent, as it seems that instances of confusion are unlikely prior to the date of first use of the Mark. Therefore, no inference can be drawn from the lack of evidence of actual confusion at the material date.

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, I find that the Applicant has discharged its burden of showing, on a balance of probabilities, that the Mark in association with "hotel;

provision of facilities for meetings, conferences and exhibitions; reservation services for hotel accommodations” is not confusing with the Opponent’s Mark. However, I am not satisfied that the Applicant has satisfied its burden to show that there is no reasonable likelihood of confusion between the Opponent’s Mark and the Mark in association with “restaurant, catering, and bar services; operation of lounges”. I therefore find that the non-entitlement ground of opposition based upon s. 16(1)(a) of the Act is successful with respect to these services.

Section 16(1)(c)

I have indicated previously that given the ambiguity resulting from Mr. Wasserman’s collective reference to the Opponent’s “common law trade-mark Courtyard and/or Courtyard Restaurant and its trade-name Courtyard Restaurant”, I considered that the evidence introduced by Mr. Wasserman relates to the Opponent’s Mark. Accordingly, I find that the Opponent has not discharged its initial onus of showing prior use of either the corporate name The Courtyard Restaurant Inc. or the trade name Courtyard Restaurant. Therefore, I dismiss the ground of opposition based upon non-entitlement pursuant to s. 16(1)(c) of the Act.

Distinctiveness

The ground of opposition is based on a likelihood of confusion between the Mark and the trade-mark and trade-names as alleged in the statement of opposition. There is a legal onus on the Applicant to show that the 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.)]. Nevertheless, there is an evidential burden on the Opponent to show that its alleged trade-mark and trade-names had become known sufficiently at the relevant date to negate the distinctiveness of the Mark [see *Motel 6, Inc., supra; Bojangles’ International, LLC and Bojangles Restaurants, Inc. v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.T.D.)].

From the outset, I find that the Opponent did not discharge its initial evidential burden to show that its trade-names had acquired some distinctiveness as of August 29, 2000.

As part of my analysis of this ground of opposition, I need to address the argument raised at the hearing by the Applicant's agent on the basis of Registration No. TMA205,682 for the trade-mark THE COURTYARD CAFE. The Applicant's agent noted that the Applicant has owned the trade-mark THE COURTYARD CAFE since June 16, 2000 and that the Applicant and its predecessor-in-title have used the said trade-mark in Canada since at least as early as 1972. Therefore, as of August 29, 2000, the Opponent was the junior user of the trade-mark COURTYARD for restaurant services. Thus, the Opponent as a junior user cannot claim acquired distinctiveness of its trade-mark and could not possibly succeed in challenging the distinctiveness of the Mark. In support of its contention, the Applicant relies on the decisions *Remo Imports Ltd. v. Jaguars Cars Limited et al* (2006), 47 C.P.R. (4th) 1 (F.C.T.D.) and *Humpty Dumpty Foods Ltd. v. George Weston Ltd* (1989), 24 C.P.R. (3d) 354 (F.C.T.D.).

In the *Remo* decision, Justice Shore stated that a junior user should not be permitted to strengthen its case by generating evidence to show that it had a stronger claim by reason of usage of its trade-mark after becoming aware of the senior user's prior claim to the trade-mark. I note that since the *Remo* decision involves a passing-off and infringement/expungement action, it is arguably distinguishable from an opposition proceeding [see *Unilever Canada Inc. v Sunrider Corp.*, 2006 CarswellNat 2188, 2006 (T.M. Opp. Bd. Mar 27, 2006)]. That said, I acknowledge the following comments of Justice Shore at paragraph 327:

The principle that junior users who adopt senior users' well known marks should not benefit from any acquired distinctiveness resulting from junior users' use of such misappropriated marks has been applied in situations other than expungement actions. For example: (...)

(3) In Humpty Dumpty, Mr. Justice Martin found that the Opposition Board should not have considered the applicant's (junior user's) use of its mark after the opponent's (senior user's) co-pending application for the same mark had been cited against the junior user's proposed use application, including junior user's use prior to the material date for considering the non-distinctiveness basis of opposition (i.e. the date the opposition was filed):

...I would also allow this appeal on the grounds that the chairman should not have received the evidence of the [junior user] with respect to the use of its proposed trademark after the [junior user] had received the notice of May 10, 1985, from the Trade marks Office that its proposed mark would not appear to

be entitled to registration in view of the co-pending and conflicting application of the [senior user.]

In my view, the *Remo* decision remains distinguishable from the present case, if only because it involved a famous trade-mark. In fact, there is no evidence in the present case that leads to the conclusion that the trade-mark THE COURTYARD CAFE was well known at the relevant date. Also, since there is no evidence that the Opponent had any knowledge of the use of the trade-mark THE COURTYARD CAFE, I am of the view that the present case is distinguishable from the *Humpty Dumpty* decision.

I consider that the evidence of record demonstrates that the Mark had become known in Canada to a greater extent than the Opponent's Mark at the relevant date. Accordingly, under this ground of opposition, the factor listed at s. 6(5)(a) of the Act favours the Applicant. However, the length of time the trade-marks have been in use as well as the degree of resemblance between them in appearance, sound, and the ideas suggested all favour the Opponent. Further, I find that my prior conclusions with respect to the nature of the services and the nature of the trade associated with the trade-marks at issue remain applicable under this ground of opposition. I acknowledge the fact that the use of the Mark did not seem to have impact on the growth of the Opponent's business. Despite the cogent and comprehensive arguments put forward at the oral hearing by the agent for the Applicant, I am not satisfied that this evidence coupled with the absence of evidence of actual confusion are additional circumstances sufficient for concluding that there is no likelihood of confusion between the trade-marks. In my view, at the utmost, these surrounding circumstances evenly balance the probabilities of confusion.

In view of the above, I come to the conclusion that the evidence of record does establish that the Opponent's Mark had become sufficiently known in the Ottawa area as of August 29, 2000 to negate the distinctiveness of the Mark in association with "restaurant, catering, and bar services; operation of lounges", but not in association with "hotel; provision of facilities for meetings, conferences and exhibitions; reservation services for hotel accommodations".

I find that the last ground of opposition is successful with respect to the services "restaurant, catering, and bar services; operation of lounges".

Conclusion

Having regard to the foregoing, and with the authority delegated to me under s. 63(3) of the Act, I reject the application with respect to the services “restaurant, catering, and bar services; operation of lounges” and I dismiss the opposition with respect to the services “hotel; provision of facilities for meetings, conferences and exhibitions; reservation services for hotel accommodations” pursuant to s. 38(8) of the Act [see *Produits Menager Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 C.P.R. (3d) 492 (F.C.D.T.) as authority for a split decision].

DATED AT GATINEAU, QUEBEC, THIS 21st DAY OF DECEMBER 2006.

Céline Tremblay
Acting Chairperson
Trade-marks Opposition Board