

IN THE MATTER OF AN OPPOSITION by The Governor and
Company of Adventurers of England trading into Hudson's Bay,
commonly called Hudson's Bay Company to application No. 612,809
for the trade-mark BAYLOR filed by Peoples Jewellers Limited

On August 10, 1988, the applicant, Peoples Jewellers Limited, filed an application to register the trade-mark BAYLOR based upon proposed use of the trade-mark in Canada in association with "watches and parts therefor".

The opponent, The Governor and Company of Adventurers of England trading into Hudson's Bay, commonly called Hudson's Bay Company, filed a statement of opposition on May 11, 1989 in which it alleged that the applicant's trade-mark BAYLOR is not registrable in that it is confusing with the registered trade-marks set out below, contrary to Section 12(1)(d) of the Trade-marks Act:

<u>Trade-mark</u>	<u>Registration No.</u>	<u>Wares/Services</u>
THE BAY	101,637	Inter alia, watch and optical service and repair
THE BAY	325,413	Inter alia, watches, clocks, barometers, thermometers Inter alia, watch and jewellery repair services
THE BAY &	328,458	Inter alia, watches, clocks, Design barometers, thermometers, timers Inter alia, watch and jewellery repair services
THE BAY	306,724	Operation of a department store

In respect of its first ground, the opponent also alleged that it is the owner of a family of well known registered marks featuring the word "BAY" used in association with a wide variety of retail wares, such that the applicant's trade-mark is confusing with the opponent's family of marks. In addition to the above trade-marks, the opponent alleged that its family of marks includes the following registered trade-marks:

<u>Trade-mark</u>	<u>Registration No.</u>
BAYCREST	NS114/29284
BAY CLUB	113,036
BAYMART	190,911
BAYSPORT	291,166
BAYCREST PLUS	279,229

The opponent's second ground is that the applicant is not the person entitled to registration in that, as of the filing date of the applicant's application, the applicant's trade-mark was confusing with the following trade-marks and trade-names which have been previously used by it in Canada: the trade-names THE BAY and HUDSON'S BAY; the trade-mark BAY DAY as applied to

department store services; and the trade-marks THE BAY and THE BAY & Design identified in its first ground of opposition.

The third ground is that the applicant's trade-mark is not distinctive in that it is not adapted to distinguish the applicant's wares from those of others including the wares of the opponent.

The fourth ground is that the applicant's application does not comply with Section 30(i) of the Trade-marks Act in that the applicant could not have been satisfied that it was entitled to use the trade-mark BAYLOR in Canada in view of the opponent's prior rights as asserted in the first three grounds of opposition.

The applicant served and filed a counter statement in which it denied the allegations set forth in the statement of opposition.

The opponent filed as its evidence the affidavits of Melville Henderson and Jennifer Leah Stecyk while the applicant filed the affidavit of Michael Clarke. As evidence in reply, the opponent submitted the affidavit of Sandra J. Rick who was cross-examined on her affidavit, the transcript of the cross-examination forming part of the opposition record.

Both parties submitted written arguments and both were represented at an oral hearing.

The opponent's first ground turns on the issue of confusion between the applicant's trade-mark BAYLOR as applied to watches and parts therefor and the opponent's registered trade-marks THE BAY and THE BAY & Design as applied to, inter alia, watches, watch repair services and department store services. The opponent's first ground also includes an allegation that the applicant's trade-mark BAYLOR is confusing with the opponent's family of trade-marks identified in its statement of opposition.

I will deal initially with the allegation that the applicant's trade-mark BAYLOR is confusing with the opponent's alleged family of marks. The concept of considering the issue of confusion other than by way of a mark by mark comparison as contemplated by the Trade-marks Act arose in McDonald's Corporation et al v. Yogi Yogurt Ltd. et al., 66 C.P.R. (2d) 101. In that case, Cattanach, J. stated that the presumption of the existence of a series of trade-marks arises when trade-marks which have common characteristics are registered in the name of one owner and are used by the one owner. In such a case, the learned trial judge noted that the "registration of such

marks is tantamount to a single registration combined of those several marks". Further, Mr. Justice Cattanach goes on to state at pages 112-113:

"By that I mean that a mark which would be confusing with the registered marks is not confusing with those marks if the applicant therefor is the owner of all such trade marks. This well-known principle is recognized and perpetuated in s-s. 15(1) of the Act and which identifies such marks as "associated trade marks".

An application for a trade mark made by an applicant other than the registered owner of those trade marks which embodies the common characteristics thereof would be conflicting therewith and should be refused. That consideration does not apply when the applicant is the owner of the series and wishes to add to the series.

The fact of the registration of trade marks giving rise to the presumption of a series of marks existing is a most material consideration which the Registrar of Trade Marks must take into account upon an application for the registration of a mark embodying the common characteristics."

and at page 113:

"The reason for the presumption of there being a series of trade marks is clear.

When application for registration of a mark is made a search of the register is conducted. That search may disclose several marks having the same characteristic features in common with those in the mark applied for and which marks stand in the name of one owner or they may stand in the name of different proprietors.

As previously indicated if the former is the case the logical presumption is that the owner is using a series of marks. If the marks are registered it must also be presumed, in the absence of evidence to the contrary, that as at the date of the registration the owner was using those marks.

If the marks are owned by several different owners then the common characteristic is one well recognized in marks in use in the trade and is common thereto."

Also, at page 114, the learned trial judge notes:

"While the presumption of a series of trade marks can arise at the time of an application for the registration of a trade mark with the consequence indicated the same presumption does not arise in opposition proceedings. Before any similar inference as would arise from the presumption can arise in opposition proceedings based upon the use of the other marks any such use must be established by evidence.

The question therefore is whether the appellants have discharged the onus cast upon them of establishing the existence of a series of marks owned by the corporate appellant with which the application by the corporate respondent for the registration of the trade mark MCYOGURT may conflict. That is to be discharged by the establishment of the use of the trade marks sufficient to constitute a family."

The concept of a series of trade-marks being considered as a single registration when assessing confusion differs from the situation where an opponent, in alleging a likelihood of confusion between one of its trade-marks and an applicant's mark, relies upon a group of its trade-marks each having an element common to the two trade-marks at issue. In such a case, the opponent could allege that its group of marks as registered and/or used constitutes a further surrounding circumstance under subsection 6(5) of the Act which supports its position in so far as there being a likelihood of confusion between its mark and the applicant's trade-mark. On the other hand, the applicant could rely upon the existence of third party registrations or use by third parties of trade-marks incorporating the common element in arguing that there would be little likelihood of confusion between the trade-marks at issue. It is the issue of confusion with its series of trade-marks

as contemplated by Cattnach, J. which has been pleaded by the opponent as one of the issues in respect of its first ground of opposition. However, the opponent has also relied upon its alleged family of trade-marks as a further surrounding circumstance in respect of the issue of confusion between the applicant's trade-mark BAYLOR and the opponent's THE BAY and THE BAY & Design trade-marks.

As pointed out by Cattnach, J., there is an onus on a party seeking to rely upon the presumption of the existence of an alleged family of trade-marks to establish that it is the only person who has registered and used the trade-marks which incorporate the common characteristic of the series. On the other hand, and as pointed out by the learned trial judge, the presumption of the existence of a series or family of mark is rebuttable if the applicant can establish the registration and use of other trade-marks standing in the name of other persons whose marks share the element or elements common to the trade-marks comprising the alleged series of marks relied upon by the opponent.

In the present case, the Stecyk affidavit evidences the existence of registrations for the trade-marks BAYCREST, BAY CLUB, BAYMART, BAYSPORT, BAYCREST PLUS and BAY RIDER. However, none of these registrations cover either watches or watch repair services. Additionally, Ms. Stecyk confirms that, apart from the marks at issue in this opposition, there are no other registrations or pending applications for trade-marks containing the element BAY as applied to watches or clocks. On the other hand, the opponent's evidence does not establish that it is the only person who has registered trade-marks including the element BAY as applied to wares similar to those associated with the opponent's alleged family of registered BAY marks. Further, there is little evidence of use or advertising of any of these marks in the marketplace. In paragraph 6 of his affidavit, Mr. Henderson states that the opponent carries a large number of products identified by its trade-marks "BAY CLUB", "BAYMART", "BAYSPORT", "BAYCREST", "BAYCREST PLUS" and "BAY RIDER" and, in paragraph 9, the affiant identifies the types of products to which these various marks are applied. While Mr. Henderson states that such trade-marks have been "extensively used and widely advertised", he gives no particulars as to sales or advertising associated with these marks. Having regard to these deficiencies in its evidence, I have concluded that the opponent has failed to meet the onus upon it of establishing the existence of its alleged family of marks. I have therefore rejected the first ground to the extent that it is based on the allegation of confusion between the applicant's trade-mark BAYLOR and the opponent's alleged family of registered trade-marks.

In view of the above, the Section 12(1)(d) grounds remain to be decided on the basis of the

allegations of confusion between the applicant's trade-mark BAYLOR and the opponent's four registered trade-marks THE BAY and THE BAY & Design. The material time for considering the circumstances respecting the issue of confusion with a registered trade-mark under Section 12(1)(d) is as of the date of my decision (see Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks, (1991), 37 C.P.R. (3d) 413 (FCA) and Conde Nast Publications, Inc. v. The Canadian Federation of Independent Grocers, (1991), 37 C.P.R. (3d) 538 (TMOB)). Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion between its trade-mark BAYLOR and the opponent's registered trade-marks THE BAY and THE BAY & Design. In applying the test for confusion set forth in Section 6(2) of the Trade-marks Act, consideration is to be given to all of the surrounding circumstances including, but not limited to, those specifically set forth in Section 6(5) of the Act.

The applicant's trade-marks THE BAY and THE BAY & Design are inherently distinctive as applied to watches and watch repair services. The applicant's trade-mark BAYLOR might be perceived by some Canadians as possessing a surname significance in view of the notoriety of Elgin Baylor who is identified in the Encyclopaedia Britannica as being a former professional basketball player. However, I suspect that the mark BAYLOR is a relatively rare surname and, as a result, I have concluded that the applicant's trade-mark possesses some measure of inherent distinctiveness.

The Henderson affidavit establishes that the opponent's trade-marks THE BAY and THE BAY & Design have become relatively well known in association with the sale and repair of watches, its sales alone between 1980 and November of 1989 exceeding \$126,000,000. The Clarke affidavit establishes that the applicant's trade-mark BAYLOR has also become known in Canada, the applicant having sold approximately 15,000 watches and parts therefor bearing the trade-mark BAYLOR in Canada subsequent to filing its trade-mark application and up to the date of Mr. Clarke's affidavit (August 9, 1990). Having regard to the evidence of the parties, I have concluded that the extent to which the trade-marks have become known, as well as the length of time that the marks have been in use, both favour the opponent in this opposition.

The opponent's registrations for the trade-marks THE BAY and THE BAY & Design cover watches which are identical to the applicant's wares, as well as watch repair services which are related to the applicant's watches and its parts therefor.

In assessing the likelihood of confusion between trade-marks in respect of a Section 12(1)(d) ground of opposition, the Registrar must have regard to the channels of trade which would normally

be associated with the wares set forth in the applicant's application since it is the statement of wares covered in the application rather than the applicant's actual trade to date which determines the scope of the monopoly to be accorded to an applicant should its trade-mark proceed to registration (see Mr. Submarine Ltd. v. Amandista Investments Ltd., 19 C.P.R. (3d) 3, at pp. 10-12 (FCA)). Thus, absent a restriction in the statement of wares set forth in its trade-mark application as to the channels of trade associated with those wares, the Registrar cannot take into consideration the fact that an applicant may only be selling its wares through a particular type of retail outlet or through a particular channel of trade when considering the issue of confusion (see Henkel Kommanditgesellschaft Auf Aktien v. Super Dragon Import Export Inc., 2 C.P.R. (3d) 361, at pg. 372 (F.C.T.D.), 12 C.P.R. (3d) 110, at pg. 112 (FCA)). As a result, the applicant's submissions that its watches bearing the trade-mark BAYLOR are never marketed anywhere than through its retail outlets and that individuals who purchase BAYLOR watches in the applicant's stores would not assume that the watches originated from the opponent are of little relevance to the Section 12(1)(d) grounds of opposition. As neither the applicant's application nor the opponent's registrations limit the channels of trade associated with the wares and services at issue, I must assume that the channels of trade associated with the watches and watch repair services of the parties would or could overlap.

The applicant's trade-mark BAYLOR bears some resemblance in appearance to the opponent's THE BAY and THE BAY & Design trade-marks in that the applicant's mark includes as a prefix the dominant element of the opponent's marks. On the other hand, the trade-marks differ in sounding. Further, the applicant's mark may suggest to some Canadians the surname of a person, or possibly the name of Baylor University located in the United States of America, whereas the opponent's marks suggest a reference to a particular bay. Thus, the trade-marks at issue do not suggest any particular idea in common.

As a further surrounding circumstance in respect of the issue of confusion, the opponent submitted the Rick affidavit as evidence of actual confusion. In her affidavit, Ms. Rick, Department Head of the Watches and Jewellery Department at the Hudson's Bay Company store in Calgary, Alberta, states the following:

Further, in the transcript of the Rick cross-examination, the following questions and answers appear:

54 Q. So, when you say they were surprised, I am not quite sure I understand that, exactly how you understood them to be surprised.

A. Well, when they would point at the face of the watch and they would point like this.

MR. AITKEN: You are indicated (sic.) the word "The Bay?"

THE WITNESS: M'hm. And they would say: "But it says the Bay."

BY MR. McCORMACK:

55 Q. Did they all say that?

A. No, not everyone.

56 Q. What proportion of them did?

A. I would say the majority. I didn't keep a running tally, maybe two-thirds would say.

57 Q. Well, two-thirds in terms of numbers, how many are you talking about?

A. Well, I have had probably about 50 people inquire.

58 Q. And you are saying that the two-thirds indicated that they thought the watch came from the Bay?

A. M'hm.

In its written argument, the applicant submitted the following at page 6 in respect of the Rick affidavit and her cross-examination:

"... Certainly, the likelihood of confusion must be at the time of transfer of possession, i.e. the time of purchase, and not at some point after the fact. In this regard, it can hardly be likely that individuals who purchase the Applicant's watches bearing the trade mark BAYLOR in the Applicant's stores assume that they are purchasing a watch which originated with the Opponent. It is far more likely the case

that any individuals referred to in the Rick Affidavit received the Applicant's BAYLOR watches as gifts or perhaps were seeking to deceive the Opponent into providing free repairs or exchanges. It is not uncommon for individuals to engage in such deceptions at larger department stores. It should be kept in mind that the reboxing of gifts is a common practice among the average consuming public. Reboxing may be done for many reasons, for example for the purpose of easier wrapping, for the purpose of seeking to impress (i.e. by putting a product in a "Birks" box in order to impress the recipient of the gift), or for the purpose of obtaining servicing or refund by putting a product in a box which belongs to the store in question. We will, in any event, never know what such individuals had in mind, or whether they were confused about the source of the product. In this regard, we have only the speculation in the Rick Affidavit¹⁴, and it is respectfully submitted that Ms. Rick can no more read the minds of her customers than (sic.) any other retail sales person can¹⁵. If there was truly confusion, of which we have no evidence in this case, one would have expected the Opponent to bring forth one of the individuals who, according to Ms. Rick, believes the product originated with The Bay. ..."

There is, however, no evidence to support the applicant's argument that the individuals referred to in the Rick affidavit were seeking to deceive the opponent into providing free repairs or exchanges or that it is not uncommon for individuals to engage in such deception in large department stores. Additionally, there is no evidence to support the applicant's argument relating to the reboxing of gifts, nor do I consider that I can take notice of such matters.

At the oral hearing, the agent for the applicant raised three main concerns with respect to the Rick evidence. Initially, the applicant questioned the hearsay aspect of the evidence in so far as it constituted evidence as to what was in the minds of the opponent's customers. Secondly, the applicant raised some questions concerning the credibility of Ms. Rick's evidence. Finally, the applicant submitted that, even if the Rick evidence is accepted at face value, it does not constitute evidence of actual confusion.

With respect to the hearsay argument, I consider that the Rick affidavit gives the factual basis upon which it would be reasonable to conclude that she had as many as thirty customers before her over a seventeen month period who were mistaken or confused in that they thought that their watches bearing the mark BAYLOR came from the opponent. Further, as these situations arose prior to Ms. Rick swearing her affidavit, it is understandable, in my view, that the opponent did not file affidavits from the individual customers. Further, from paragraph 4 of her affidavit, it would also appear that Ms. Rick herself was initially confused as to the origin of BAYLOR watches and her statements in this regard were not challenged on cross-examination.

As for the credibility issue, I found Ms. Rick's evidence as set forth in her affidavit and in the transcript of her cross-examination to be very credible. Indeed, I would agree with the submission made by the opponent's trade-mark agent at the oral hearing that the cross-examination of Ms. Rick strengthened, rather than weakened, her evidence. Further, the reference by Ms. Rick

to DUMAI watches being BAY watches (Questions 18 - 22 and answers thereto) is consistent with certain copies of the opponent's advertising (Exhibit D-3 to the Henderson affidavit) where such watches are described as "Bay exclusive watches by Dumai".

The applicant also submitted that the evidence of Ms. Rick was not evidence of actual confusion in that the situations which she described did not occur at the time of transfer of the property in or possession of the wares. However, I do not consider that instances of actual confusion or mistake are limited to those occurring at the time of transfer in or possession of the wares. In this regard, the reference in Section 6(2) of the Trade-marks Act to the "use of a trade-mark" which causes "confusion with another trade-mark" is not, in my opinion, limited to trade-mark use as contemplated by Section 4(1) of the Trade-marks Act. Further, even if I am incorrect in this regard, the nature of the instances of mistake described by Ms. Rick are such as to support the conclusion that there would be a reasonable likelihood of confusion between the trade-marks at issue, even if they are not technically instances of actual confusion.

I would also note that the applicant's watches are accompanied by a LIMITED FIVE YEAR GUARANTEE which identifies the applicant as the source of the BAYLOR watches. As a result, and unless the individuals referred to in the Rick affidavit were in fact confused as to the origin of their watches, I do not understand why the owners of such watches, even if the watches were received as gifts, would go to the opponent's retail store in order to obtain an exchange for the watch or to have their watches repaired. Certainly, if the watch were defective or if the purchaser were otherwise not satisfied with the watch, I would assume that the applicant would be no less willing than the opponent to provide the owner of the watch with an exchange or refund, or to provide warranty repair services on the watch as outlined in their GUARANTEE.

Having regard to the above and, in particular, the evidence of Ms. Rick, I have concluded that the applicant has failed to discharge the legal burden upon it in respect of the issue of confusion between the trade-mark BAYLOR and the opponent's registered trade-marks THE BAY and THE BAY & Design. As a result, the applicant's trade-mark is not registrable in view of the provisions of Section 12(1)(d) of the Trade-marks Act.

I refuse the applicant's application pursuant to Section 38(8) of the Trade-marks Act.

DATED AT HULL, QUEBEC, THIS 30th DAY OF November, 1992.

G.W.Partington,
Chairman,
Trade Marks Opposition Board.