

IN THE MATTER OF AN OPPOSITION  
by Faber-Castell Canada Inc.  
to application No. 524,979 for  
the trade-mark Stripe Design  
filed by Dixon Inc. (now Dixon  
Ticonderoga Inc.)

On July 11, 1984, the applicant, Dixon Inc. (now Dixon Ticonderoga Inc.), filed an application to register the trade-mark Stripe Design (illustrated below) for pencils based on use in Canada since 1968. The trade-mark consists of a band of yellow about the ferrule at the end of a pencil. The representation of the pencil, the ferrule and the eraser does not form part of the trade-mark. The application was advertised for opposition purposes on October 7, 1987.

The opponent, Faber-Castell Canada Inc., filed a statement of opposition on March 7, 1988, a copy of which was forwarded to the applicant on March 31, 1988. The opponent was subsequently granted leave pursuant to Rule 42 of the Trade-marks Regulations to file an amended statement of opposition. The grounds of opposition include one based on Section 38(2)(d) of the Trade-marks Act as follows:

The applicant's trade mark is not distinctive having regard to the provisions of Section 2 of the Trade Marks Act, since it does not actually distinguish and is not adapted to distinguish, the wares of the applicant from the wares of others, and in particular having regard to the prior and continuous use in Canada of a yellow stripe design by S-Marque Inc. of Woodbridge, Ontario and Gold Leaf Office Products Ltd.

The applicant filed and served a counter statement. The applicant was subsequently granted leave pursuant to Rule 42 to file an amended counter statement.

As its evidence, the opponent filed the affidavits of Guy Mantha, Jack Kelly and Irene Annis. The applicant filed the affidavit of John McCleary. Mr. McCleary was cross-examined on his affidavit and the transcript of that cross-examination and the subsequently filed answers to undertakings form part of the record of this opposition. Both parties filed a written argument and an oral hearing was conducted at which only the opponent was represented.

As for the ground of non-distinctiveness, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its wares from those of others throughout Canada: see Muffin Houses Incorporated v. The Muffin House Bakery Ltd. (1985), 4 C.P.R. (3d) 272 (T.M.O.B.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the

opposition (i.e. -March 7, 1988): see Re Andres Wines Ltd. and E. & J. Gallo Winery (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.); Molnlycke Aktiebolag v. Kimberly-Clark Ltd. (1982), 61 C.P.R.(2d) 42 at 52 (F.C.T.D.); Work Wear Corp. v. Triple G. Manufacturing Inc. (1990), 32 C.P.R.(3d) 463 at 467 (F.C.T.D.); Murjani International Ltd. v. Universal Impex Co. Ltd. (1986), 12 C.P.R.(3d) 481 at 484 (F.C.T.D.) and Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.).

The evidence establishes that the applicant is a manufacturer of writing instruments which it sells to commercial stationers, school boards, wholesalers, retailers and industrial supply houses. The applicant has manufactured and sold pencils bearing its Stripe Design trade-mark for many years and its sales for the period 1985 to 1988 have been in excess of \$1.6 million. Included within that figure are sales of Stripe Design pencils bearing one or both of the applicant's trade-marks DIXON and THINEX.

The applicant also makes Stripe Design pencils for other companies, namely, S-Marque Inc., Gold Leaf Products Ltd. and Guild Stationers Limited. Those pencils bear only the trade-marks or trade-names of these other companies. The applicant typically packages them in boxes of ten and the boxes also bear only the trade-marks or trade-names of the other companies. Each of these companies sells the Stripe Design pencil made for it by the applicant as its own product. None of these other companies is related to the applicant (see pages 43-44 of the McCleary transcript) and none is a registered user or a proposed registered user respecting any of the applicant's marks (see the Mantha affidavit).

As one of the answers to undertakings, the applicant provided a rough breakdown of its sales of Stripe Design pencils for the period 1985 to 1989. Over that period, roughly fifty percent of such sales were of Stripe Design pencils bearing labelling other than DIXON. (Presumably the DIXON-labelled sales include sales of the applicant's THINEX brand since the THINEX pencil invariably also bears the trade-mark DIXON.) Those sales are apparently completely accounted for by the Stripe Design pencils manufactured for S-Marque Inc., Gold Leaf Products Ltd. and Guild Stationers Limited since Mr. McCleary did not identify any other companies for which the applicant manufactured a Stripe Design pencil.

In view of the above, it is apparent that the consumer has been accustomed to seeing a number of companies selling their own brand of pencils featuring the Stripe Design mark. Given that the sales by each company are not insignificant, it is clear that consumers do not associate the Stripe Design mark with any particular source or any particular company. Mr. McCleary himself recognizes this fact at page 25 of the cross-examination transcript. Since several different companies are using the Stripe Design trade-mark, it cannot be distinctive of any particular one.

The applicant contends that the foregoing is immaterial since it does not sell its pencils directly to consumers. The applicant further contends that its customers comprise wholesalers, retailers and the like and that it need only show that the Stripe Design trade-mark is distinctive of it within that particular customer base. I disagree. Even if the applicant could establish that all of its direct customers recognize the Stripe Design trade-mark as its mark (which, in any event, the applicant has failed to do), there

are thousands of consumers or retail purchasers who associate the mark with another source or more than one source or no source at all.

In view of the foregoing, I find that the applicant has failed to satisfy the burden on it to show that its Stripe Design trade-mark is distinctive of its pencils throughout Canada. The ground of non-distinctiveness is therefore successful and the remaining grounds need not be considered.

In view of the above, I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 31st DAY OF January, 1992.

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