

**IN THE MATTER OF AN OPPOSITION by
Metro-Goldwyn-Mayer Inc. to application
No. 807,005 for the trade-mark STARGATE_
filed by Stargate Connections Inc.**

On March 15, 1996, the applicant, Stargate Connections Inc., filed an application to register the trade-mark STARGATE based upon use of the trade-mark in Canada in association with internet services including, web site development, web site publishing, including: design for web sites, internet marketing assistance and internet connection since August 1995. During prosecution the services were redefined as internet services namely, web site development, web site publishing, namely: design for web sites, internet marketing assistance and internet connection.

The application was advertised for opposition purposes in the *Trade-marks Journal* of February 5, 1997. An extension of time was obtained for the purpose of opposing the application on behalf of Metro-Goldwyn-Mayer Inc. and Le Studio Canal + (U.S.). On July 4, 1997, the opponent, Metro-Goldwyn-Mayer Inc., filed a statement of opposition. The applicant filed and served a counter statement. The opponent subsequently filed a revised statement of opposition that corrected a clerical error in the header of the statement of opposition.

The opponent filed as its evidence the affidavits of Shirley McDonald, Victoria Carrington and Michael Moore. As its evidence, the applicant filed the affidavit of Bruce Hobbs. In reply, the opponent filed the affidavit of Arturo Brion. No cross-examinations were conducted. Only the opponent filed a written argument. An oral hearing was held at which both parties were represented.

Grounds of Opposition

The first ground of opposition is that the application does not comply with Subsection 30(b) of the *Trade-marks Act* because the applicant has not used the mark since the date of first use claimed in the application in association with the services covered by the application. The opponent did not file any evidence in support of this ground of opposition and did not make any submissions concerning this ground in its written argument. I find that the opponent has not satisfied its evidentiary burden with respect to this ground of opposition and this ground of opposition therefore fails.

The second ground of opposition is based on Paragraph 16(1)(a) of the *Act*, the opponent alleging that the applicant is not the person entitled to register the mark because the mark is confusing with the opponent's trade-mark STARGATE which

had been previously used in Canada by the opponent and its predecessor-in-title, Le Studio Canal + (U.S.), in association with the production, distribution and screening of a feature film entitled Stargate, which has been shown in theatrical release, on video and on television. The opponent also claims prior use of STARGATE in Canada through licensees for a broad range of wares.

The third ground of opposition is based on Paragraph 16(1)(b) of the *Act*, the opponent alleging that the applicant is not the person entitled to register the mark because the mark is confusing with the opponent's trade-mark STARGATE, an application for which was filed in Canada by the opponent's predecessor-in-title, Le Studio Canal + (U.S.), on April 26, 1994, claiming priority as of April 18, 1994. This application, s.n. 752,138, which is still pending, was filed on the basis of proposed use in association with the following wares and services:

Halloween make-up kits, and removable tatoos; radios, tape players, walkie talkies, screen savers, audio chips, hand held, wrist, and tabletop LCD games, pre-paid telephone cards, night vision goggles, and non-animated stills for computer screens; enamel key chains, enamel pins, watches, and jewelry; bookmarks, memo boards, doorknob hangings, notebooks, address books, photograph albums, diaries, scrapbooks, sketchbooks, trading cards, plastic trading cards, posters, postcards, calendars, day planners, stickers, paint by number sets, playing cards, magazines, souvenir programs, party goods, namely, paper napkins, tablecloths, plates, coasters, placemats, cups, party hats, loot bags, invitations, paper and plastic cake decorations, thank you notes, door signs, banners, gift wrap, gift bags, plastic table cloths, removable tatoos, modeling clay and compound, and pens; sports bags, school bags, and back packs; vinyl key chains, PVC key chains, acrylic key chains, vinyl magnets, novelty buttons, photo frames, mirrors, decorative face masks, children's plastic dinnerware, plastic trading cards; mugs, flasks, drinking glasses, children's dinnerware, drinking straws, decorative boxes, collectible statues, lunchboxes, food storage containers, and candle holders; T-shirts, sweatshirts, baseball caps, hats, night shirts, night gowns, pajamas, underwear, boys underwear, collarless shirts, knit shirts, knit shorts, knit pants, and costumes; video game cartridges, cassettes, compact disc, and video output game machines, toys, namely, toy vehicles, action figures and accessories, dolls, role playing accessories for children, play environments, plush and stuffed puppets, ride on toys, jigsaw puzzles, manipulative puzzles, three dimensional puzzles, tracing plates, vinyl model kits, plastic model kits, toy weapon and target sets, sound target sets, shotgun target sets, board games, bagatelle games, bop bags, shooting arcade games, squirt guns, projectile guns, light and sound guns, card games, banks, pinball machines, interactive CD ROM children's storybooks, mechanical and electronic action toys, battery powered and electricity powered road race sets, construction sets, party favors in the nature of small toys, balloons, pinatas, and roller skates; cigarette lighters.

Production, distribution, and screening of a feature film.

The fourth ground of opposition claims that the applicant's trade-mark is not distinctive of the services of the applicant since it does not actually distinguish the services in association with which it is used from the wares and services of the opponent referred to elsewhere in the statement of opposition and covered by application s.n. 752,138.

Material Dates

The material date to consider the likelihood of confusion with respect to the Paragraphs 16(1)(a) and (b) grounds of opposition is the date of first use of the applicant's mark, namely August 1995. The material date with respect to the non-distinctiveness ground of opposition is the date of filing of the opposition, namely July 4, 1997 [see *Re Andres Wines Ltd. and E. & J. Gallo Winery* (1975), 25 C.P.R. (2d) 126 at p. 130 (F.C.A.) and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 412 at p. 424 (F.C.A.)].

Opponent's Evidence

I will summarize what I consider to be the key points of the evidence.

Mr. Moore introduces the most useful evidence on behalf of the opponent. He is the in-house counsel for Metro-Goldwyn-Mayer Studios Inc. He provides evidence of the assignment by Le Studio Canal + (U.S.) of its rights in the STARGATE trade-mark to Metro-Goldwyn-Mayer Inc. and Metro-Goldwyn-Mayer Inc.'s subsequent change of name to Metro-Goldwyn-Mayer Studios Inc.

Mr. Moore attests that the opponent's STARGATE motion picture was released in Canada in October 1994. He estimates that the associated Canadian theatrical rental revenue was between 4 and 5.5 million dollars. However, that presumably is the revenue as of the date of his affidavit, May 26, 1998; he does not provide the revenue as of either of the material dates of August 1995 or July 4, 1997. He goes on to say that the opponent spent about two million dollars advertising the STARGATE movie in Canada. However, he does not explain the nature of such advertising or, most importantly, how much advertising had been done as of either of the material dates.

Mr. Moore also attests that the STARGATE movie was broadcast on Canadian TV as early as June 1997, but we are not given the extent of broadcasting or the volume of the associated revenue as of the material date of July 4, 1997.

Mr. Moore attests that the opponent's predecessor entered into a number of licenses for use of the STARGATE trade-mark in association with various wares and he has provided copies of licence agreements. Most of the licences were set to expire in 1995, with the longest expiring at the end of 1996. No evidence has been provided of any sales of licensed wares in Canada.

Mr. Moore attests that the STARGATE movie was the first motion picture to have a web site dedicated exclusively to it. The web site was launched in September 1994 and was still active as of Mr. Moore's affidavit date. A copy of the 1998 version of the web site has been provided as Exhibit E to Mr. Moore's affidavit.

Mr. Moore attests that the STARGATE film spawned a television series entitled STARGATE SG-1. Mr. Moore has provided considerable evidence concerning the opponent's STARGATE SG-1 television series, including some licensing. However, all such activity postdates the material dates.

Ms. McDonald simply introduces copies of two trade-mark applications owned by the opponent for STARGATE, serial Nos. 752,138 and 800,728.

Ms. Carrington introduces evidence of the opponent's STARGATE movie being available for purchase and rental in Canada, as well as evidence of newspaper listings for the television show STARGATE SG-1. The majority of her evidence is of no consequence as it postdates the dates that are material in these proceedings. I accept however that the credits which she copied from the video of the STARGATE movie were in fact displayed in Canadian theatres prior to both of the material dates. I note that although the trade-mark STARGATE is identified as owned by Le Studio Canal + (U.S.) near the very end of the credits, at the beginning of the credits there are the following statements: "Mario Kassar presents a Le Studio Canal +/Centropolis Film production in association with Carolco Pictures Inc. a film by Roland Emmerich". On the packaging of the videocassette for the film provided as Exhibit C to the Carrington affidavit, the same statements appear, with Le Studio Canal + (U.S.) being listed only as the copyright owner. There is no evidence as to when videocassettes of the STARGATE film were first made available in Canada for sale or rent.

Applicant's Evidence

Mr. Hobbs, the applicant's president, explains that his company is an internet service provider that specializes in web site development, web site publishing (including design of web sites for customers) and assistance to persons marketing on the internet. It also sells internet connection to corporate internet users. He provides a copy of the web sites that his company has operated under the domain name STARGATE.ca from October 1995 to August 1997 and since August 1997. He also provides copies of print advertisements from 1996 and 1997. In addition, he has provided invoices and client lists. The applicant's sales for the years ending September 1998, September 1997, and September 1996 amounted to \$515,020, \$388,337 and \$140,490 respectively.

Mr. Hobbs states that there has been no confusion with the opponent's STARGATE services.

Opponent's Reply Evidence

Mr. Brion, a student-at-law, conducted searches for the term "technology portal" in

certain dictionaries and encyclopedias but was unable to locate that term. He did locate the word "portal" in various dictionaries but not in the IBM Computer Dictionary. These searches were conducted because the words "technology portal" appear on one of the buttons on the applicant's web site.

Mr. Brion also provided evidence that the majority of the applicant's clients are located in western Canada.

Onus

With respect to the Paragraph 16(1)(a) ground of opposition, there is an initial burden on the opponent to evidence use of its trade-mark prior to the applicant's date of first use by the opponent, its predecessor-in-title, or a licensee whose use satisfies the requirements of Section 50 of the *Act*. Subsections 16(5) and 17(1) of the *Act* also place a burden on the opponent to establish non-abandonment of its trade-mark as of the date of advertisement of the applicant's application.

As of August 1995, we have the uncontested statement of Mr. Moore that the opponent's STARGATE feature film had been released in Canada and shown by theatrical rental. We have no documentary evidence supporting this claim but as Mr. Moore was not cross-examined on his affidavit, I accept that the STARGATE film was exhibited in Canadian theatres prior to the applicant's first use of STARGATE. I have some concern as to whether it was in fact the opponent's predecessor in title who was using the STARGATE mark given the number of entities associated with the film. It would have been preferable if the opponent had explained the inter-relationship among the various parties but given the trade-mark notice that appears at the end of the credits, and the fact that the applicant did not raise this issue, I am prepared to accept that it was the opponent's predecessor who used the mark in association at least with the production of the feature film. However, the production of the film clearly did not take place in Canada. It is also not clear to me how the mark was used by the opponent or its predecessor in association with the services of distributing or screening a film in Canada as of August 1995. The fact that Mr. Moore refers to theatrical rental revenues suggests to me that a third party screened the STARGATE movie in Canada. Overall, there is no evidence that the opponent's predecessor advertised the mark in Canada prior to August 1995, there being no evidence that any Canadians accessed the web site for the STARGATE film prior to August 1995.

The opponent alleges that the STARGATE film was also shown on video and on television but there is no evidence of that occurring in Canada prior to August 1995. There is also no evidence that any licensed wares were sold in Canada prior to August 1995. Accordingly, I find that the opponent has not met its initial burden with

respect to its Paragraph 16(1)(a) ground of opposition with respect to any of the pleaded wares and services and that ground of opposition therefore necessarily fails. If the opponent had met its initial burden with respect to this ground, then its outcome would have been the same as that of the Paragraph 16(1)(b) ground of opposition.

The two remaining grounds of opposition are based on the likelihood of confusion between the applicant's STARGATE mark and the opponent's STARGATE mark. There is a legal burden on the applicant to establish that there would be no reasonable likelihood of confusion between the marks in issue. This means that if a determinate conclusion cannot be reached, the issue must be decided against the applicant [see *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293].

Likelihood of Confusion

The test for confusion is one of first impression and imperfect recollection. In applying the test for confusion set forth in Subsection 6(2) of the *Trade-marks Act*, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in Subsection 6(5) of the *Act*. Those factors specifically set out in Subsection 6(5) are: the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; and the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. The weight to be given to each relevant factor may vary, depending on the circumstances [see *Clorox Co. v. Sears Canada Inc.* 41 C.P.R. (3d) 483 (F.C.T.D.); *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R. (3d) 308 (F.C.T.D.)].

I will assess the evidence provided to weigh each relevant factor as of the two material dates of August 1995 and July 4, 1997.

Inherent Distinctiveness and the Extent to which Each Mark has Become Known

Both parties' marks are equally inherently distinctive because STARGATE, being a coined term, has no specific meaning in association with any of the wares or services.

As of August 1995, the applicant's mark had not become known to any extent, but there is evidence of it having become known to some extent as of July 4, 1997. The opponent's mark had become known as of each material date but we cannot tell to what extent.

Length of Time the Mark Has Been in Use

As of August 1995, this factor favours the opponent as its mark had been in use by its

predecessor in association with feature films since October 1994, slightly less than one year. The applicant had not of course made any use of its mark prior to August 1995.

As of July 4 1997, this factor also favours the opponent as its mark had been in use by its predecessor in association with feature films for just under three years, as opposed to just under two years of use by the applicant of its mark.

Nature of the Wares and Services

The wares and services to be considered are those covered by the applicant's application versus the opponent's production, distribution, and screening of a feature film and the wares covered by application s.n. 752,138. Although a few of such wares are computer related, such as screen savers, non-animated stills for computer screens and interactive CD ROM children's storybooks, they are not particularly related to the applicant's services namely, web site development, design for web sites, internet marketing assistance and internet connection. The fact that the opponent developed a web site to promote its STARGATE film does not mean that it was using its mark for web site development or the like.

When considering the wares, services and trades of the parties, it is the statement of wares or services in the parties' trade-mark applications that govern [see *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe, Inc. v. Dale Bohna* (1984), 58 C.P.R. (3d) 381 (F.C.A.)]. However, evidence of the actual trades of the parties is useful in reading the statement of wares/services with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording [see *McDonald's Corporation v. Coffee Hut Stores Ltd.* (1996), 68 C.P.R. (3d) 168 (F.C.A.)].

At the oral hearing, the opponent's agent took the position that the applied for services are very broad and could include rendering entertainment services over the internet. Frankly, I do not think that a fair interpretation of "internet services namely, web site development, web site publishing, namely: design for web sites, internet marketing assistance and internet connection" would include rendering entertainment services over the internet. Certainly, if we look at the actual trades of the parties, it seems even less likely that the applied for services would ever include rendering entertainment services over the internet.

Nature of the Trade

The parties' channels of trade appear to be quite distinct. The opponent's argument that they potentially overlap is, in my view, quite a stretch. While it is true that the

applicant has not restricted its services to any specific clientele, the mere fact that any individual in Canada is a potential viewer of the opponent's film does not mean that there is an overlap in the parties' trades.

Degree of Resemblance between the Marks

The marks are identical and therefore this factor favours the opponent.

Other Surrounding Circumstances

Several other surrounding circumstances have been raised in the evidence.

There is evidence that the opponent has made significant use of a related trade-mark STARGATE SG-1 for a television program. However, as such use began in September 1997, there was no use of this mark as of this opposition's material dates.

The applicant's evidence attests that as of December 24, 1998 there had been no confusion between the parties' marks. This might be due to the significant differences between the parties' businesses and services. However, as pointed out by the opponent, it could also be explained in part by the relatively restricted geographical nature and extent of the applicant's use.

The opponent has submitted that it is significant that the applicant has used on its web site the term "technology portal" and a design that allegedly resembles one used by the opponent. However, these are not relevant surrounding circumstances given that the only issue here is whether the use of STARGATE for the applicant's internet services is likely to cause confusion with the opponent's STARGATE movie and related wares.

Conclusion

Although the onus is on the applicant to demonstrate that there is no reasonable likelihood of confusion and even though trade-marks that are coined words are often given a broader scope of protection, I conclude that there was no reasonable likelihood of confusion between the marks at issue here as of either of the material dates. Despite the identity of the marks and the fact that both parties operate web sites to promote their STARGATE services/wares, in my view the differences between the parties' businesses/services are so significant that confusion is not likely. A reasonable consumer would not expect that a company offering internet services under the trade-mark STARGATE was associated with or licensed by the company that distributes a feature film under the same trade-mark and licenses such trade-mark for typical licensed products. The nature of the two parties' businesses is quite distinct and there is no evidence that would lead me to conclude otherwise. The fact that both parties operate a web site is in my view no more significant than the fact

that two parties advertise their services in magazines.

I note that this is not a case where the opponent's mark was so well known as of the material dates that a Canadian consumer could not help but think of the opponent as the source of any STARGATE services. In addition, although STARGATE may be a coined term it does consist of ordinary dictionary words and therefore does not fall in to the class of invented word marks, such as KODAK, which are often entitled to a broad scope of protection once they have developed a reputation.

If I had found that the opponent's mark was well known, I would still have found there to be no reasonable likelihood of confusion. In support of that conclusion, I would have referred to two recent Federal Court of Appeal decisions. In *United Artists Corp. v. Pink Panther Beauty Corp.* (1998), 80 C.P.R. (3d) 247 at pp. 269-70, the Federal Court of Appeal had this to say about the scope of protection to be accorded to trade-marks that are film titles:

The respondent submitted that there is a logical connection between the entertainment business on the one hand, and beauty products on the other. This argument is hung from a very thin thread indeed. A similar argument was rejected by MacKay J. in *Seagram*. The appellant had argued in that case that the general trend of corporate diversification would lead a consumer to presume that its liquor business was connected with the respondent's real estate business. MacKay J. dismissed this by saying:

I do not agree with this proposition. In my view, consideration of future events and possibilities of diversification is properly restricted to the potential expansion of existing operations. It should not include speculation as to diversification into entirely new ventures, involving new kinds of wares, services or businesses. [*Seagram, supra*, at 467-468.]

I find this reasoning to be applicable to the present circumstances. To find that such a connection was sufficient in this case would effectively extend protection to every field of endeavour imaginable. There would be no area that Hollywood's marketing machine would not control. Just because they are well-known, the whole world is not barred forever from using words found in the title of a Hollywood film to market unrelated goods.

In *Lexus Foods Inc. v. Toyota Jidosha Kabushiki Kaisha*, November 20, 2000, A-622-99, at page 6 the Federal Court of Appeal said the following about the extent to which notoriety might extend the scope of protection accorded to a trade-mark:

Famousness alone does not protect a trade-mark absolutely. It is merely a factor that must be weighed in connection with all the rest of the factors. If the fame of a name could prevent any other use of it, the fundamental concept of a trade-mark being granted in relation to certain wares would be rendered meaningless.

Disposition

Having been delegated by the Registrar of Trade-marks by virtue of Subsection 63(3) of the *Trade-marks Act*, I reject the opponent's opposition pursuant to Subsection 38(8) of the *Act*.

DATED AT TORONTO, ONTARIO, THIS 29TH DAY OF JANUARY, 2001.

Jill W. Bradbury
Hearing Officer
Trade-marks Opposition Board