

IN THE MATTER OF AN OPPOSITION by Data Broadcasting Corporation
to application No. 827,504, for the trade-mark SIGNAL 9 filed by Signal 9
Solutions Canada Inc.

On October 25, 1996, the applicant, Signal 9 Solutions Canada Inc., filed an application to register the trade-mark SIGNAL 9 based on use in Canada since October 22, 1996, on wares and services. The application, as amended, covers the following wares: “Computer software programs for data network security involving storing data locally and transmitting data in on both intranets and the internet, including employing such methods as encryption, sender/receiver verification and tunneling and computer program manuals licensed therewith ” and the following services: “Customer set up, implementation, maintenance training and continuing education in computer software programs and hardware related to data network security involving storing data locally and transmitting data on both intranets and the internet, and including employing such methods as encryption, sender/receiver verification and tunneling.” The application was advertised for opposition purposes on January 7, 1998.

The opponent, Data Broadcasting Corporation, filed a statement of opposition on March 2, 1998. In its statement of opposition, the opponent lists its family of marks that feature the word SIGNAL which include: SIGNAL (TMA456,954); SIGNAL (TMA343,888); SIGNAL DELAYED (TMA447,029); SIGNALREPORTS (TMA447,030); SIGNALCARD (TMA459,684) and SPORTSIGNAL (S.N. 758,088). The opponent’s first two grounds of opposition are based on Section 30(b) and Section 30(i) of the *Trade-Marks Act*, R.S.C. 1985, c. T-13 (“the Act”). In this regard, the opponent argues that the applicant has not used its trade-mark in Canada since October 22, 1996, and that the applicant could not have been satisfied at the date of filing its application that it was entitled to use the trade-mark in Canada in association with the wares and services specified in its application. As its third ground of opposition, the opponent asserts that the mark is not registrable pursuant to s.12(1)(d) of the Act because it is confusing with one or more of the aforesaid registered marks of the opponent. The fourth and

fifth grounds of opposition are that the applicant is not the person entitled to registration of the mark in view of the provisions of Sections 16(1)(a) and 16(1)(b) of the Act because the applicant's mark is confusing with the opponent's marks which have been previously used in Canada and with opponent's application no. 758,088, which had been previously filed in Canada. As its final ground, the opponent argues that the applied for mark does not distinguish nor is adapted to distinguish the wares and services of the applicant from the wares and services of the opponent.

The applicant filed and served a counter statement on April 15, 1998, in which it generally denied the allegations asserted by the opponent in its statement of opposition. As its evidence, the opponent submitted the affidavit of Katherine D. Luther, along with certified copies of its 6 trade-mark registrations. The applicant's evidence consisted of the affidavits of Colleen Becker and Rita Rutten. Neither party filed a written argument and an oral hearing was not held.

With respect to the first two grounds of opposition, the material time for considering the circumstances respecting the issues of non-compliance with Section 30 of the Act is the filing date of the applicant's application (see **Georgia-Pacific Corp. v. Scott Paper Ltd.**, 3 C.P.R.(3d) 469, at p. 475). While the legal burden is upon the applicant to show that its application complies with Section 30 of the Act, there is an initial evidential burden on the opponent to establish the facts relied upon by it in support of its Section 30 ground (see **Joseph E. Seagram & Sons Ltd. v. Seagram Real Estate Ltd.**, 3 C.P.R. (3d) 325, at pp. 329-330; and **John Labatt Ltd. v. Molson Companies Ltd.**, 30 C.P.R.(3d) 293). Under the Section 30(b) ground, the opponent's burden can be met by relying on the applicant's evidence (see **Tune Masters v. Mr. P.'s Mastertune**, 10 C.P.R. (3d) 84 at 89).

In the present case, the opponent has not filed any evidence to show that the applicant has not used the SIGNAL 9 mark in association with the applied for wares and services since October 22, 1996. However, I do consider the applicant's evidence to be clearly inconsistent with its claimed date of first use, at least in respect of the applicant's wares. In this regard, Ms. Rutten states the following at paragraph 2 of her affidavit:

2. The applicant carries on business in Canada and the United States under the trade-name "Signal 9" and distributes its products under the trademark "Signal 9" in Canada and internationally. The applicant introduced the Signal 9 products and services in October, 1996 in Canada and internationally *and the first sale in Canada was in March 1997.* (emphasis added)

Pursuant to s.4(1) of the Act, a trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notices of the association is then given to the person to whom the property or possession is transferred. In other words, in order for a mark to be used in association with wares pursuant to s.4(1), there has to be a transfer, or sale, of the wares in the normal course of trade. In the present case, Ms. Rutten clearly states that the first sale of the applicant's products or services in Canada was in March, 1997. In my view this statement is clearly inconsistent with the applicant's claim that it has used the mark in association with its wares since October 22, 1996.

With respect to the applicant's services, however, Section 4(2) of the Act deems a mark to be used in association with services if it is used or displayed in the performance or advertising of those services. Although the applicant has not provided details about how it used its mark in association with services since the date claimed, I do not find Ms. Rutten's statement that the mark was "introduced" with the applicant's services in October, 1996, to be clearly inconsistent

with the applicant's claimed date of first use. This ground is therefore successful only with respect to the applied for wares.

The opponent's second ground does not raise a proper ground of opposition in that the opponent did not allege that the applicant was aware that its applied for mark was confusing with the opponent's trade-marks. Thus, the second ground is unsuccessful.

Each of the remaining grounds of opposition turn on the issue of confusion between the applicant's SIGNAL 9 mark and the opponent's SIGNAL trade-marks, as registered and previously used in Canada. The most relevant of the marks relied upon by the opponent are the opponent's two SIGNAL marks, Regn. No. TMA 456,954, and Regn. No. TMA 343,888. With respect to the ground of opposition based on s.12(1)(d) of the Act, the material date is the date of my decision (see **Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.** (1991), 37 C.P.R. (3d) 413 (F.C.A.), while the material dates for assessing the non-entitlement and non-distinctiveness grounds are, respectively, the applicant's date of first use (i.e. October 22, 1996) and the date of opposition (i.e. March 2, 1998). In the circumstances of this case, nothing turns on which material date is chosen to assess the issue of confusion.

In applying the test for confusion set forth in s.6(2) of the Act, consideration is to be given to all of the surrounding circumstances, including, but not limited to, the following specifically set forth in s.6(5) of the Act: (a) the inherent distinctiveness of the trade-marks and the extent to which the trade-marks have become known; (b) the length of time the trade-marks 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 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 (**Clorox Co. v. Sears Canada Inc.** (1992), 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.). While the opponent has an initial evidential burden to provide facts in support of its grounds of opposition, the Registrar must bear in mind that the legal burden is on the applicant to establish that there would be no reasonable likelihood of confusion between the trade-marks of the parties as of the material dates noted above.

With respect to Section 6(5)(a) of the Act, both parties' marks are inherently distinctive although they are both inherently weak since the word SIGNAL is a common dictionary word which is somewhat suggestive of both parties' wares and services. Although the applicant's mark also includes the numeral "9", given that numerals possess very little inherent distinctiveness, the use of this numeral does not add much inherent distinctiveness to the applicant's mark as a whole.

As for the extent to which the marks have become known, Ms. Luther states that both of the opponent's SIGNAL marks have been used in Canada since at least as early as 1989. It is difficult to ascertain the extent to which the opponent's two SIGNAL marks in particular had become known in Canada because the majority of Ms. Luther's evidence refers to sales and advertising of the opponent's family of marks, and there is no breakdown of such figures for each of the opponent's individual marks. In any case, given that the opponent's sales under its family of marks was over \$400,000 U.S. in 1996/97, with projected sales of over \$490,000 U.S. for 1998/99, and in view that the opponent spent over \$1 million on newspaper, television and direct mail advertising throughout the U.S. and Canada in 1997/98, I am prepared to conclude that the opponent's mark has become known to some extent in Canada. As for the applicant's mark, Ms. Rutten stated that at the date of her affidavit (i.e. June 24, 1999), the applicant had spent \$167,000 in Canada in advertising by way of print, the Internet, and trade-shows on the applicant's products and services. Although sales figures were not provided, Ms. Rutten explains

that products can be obtained from the applicant's website and that its website had 1,700,000 hits in May of 1999. She further states that the number of downloads of the applicant's firewall component averages from 600 to 750 per day. In view of the evidence furnished by the applicant, it appears that the applicant's mark has become known to a minor extent in Canada.

With respect to s.6(5)(b) of the Act, although Ms. Rutten stated that the applicant's mark was first introduced in Canada and internationally in October, 1996, Ms. Rutten also notes that the first sale in Canada was in March, 1997. As noted above, I am only prepared to conclude that the applicant's mark has been used with respect to services since October, 1996, and that it has only been used with respect to wares since March, 1997. The opponent's SIGNAL marks, on the other hand, have been used in Canada since at least as early as 1989. This factor therefore favours the opponent.

As for the wares, services and trades of the parties (Sections 6(5)(c) and (d)), it is the applicant's statement of wares and services and the opponent's statement of services in registration No. TMA 456,954 and statement of wares in registration No. TMA 343,888 that govern: see **Mr. Submarine Ltd.** v. **Amandista Investments Ltd.** (1987), 19 C.P.R.(3d) 3 at 10-11 (F.C.A.), **Henkel Kommanditgesellschaft** v. **Super Dragon** (1986), 12 C.P.R.(3d) 110 at 112 (F.C.A.) and **Miss Universe, Inc.** v. **Dale Bohna** (1994), 58 C.P.R.(3d) 381 at 390-392 (F.C.A.). However, those statements must be read 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. In this regard, evidence of the actual trades of the parties is useful: see page 169 of the decision of the Federal Court of Appeal in **McDonald's Corporation** v. **Coffee Hut Stores Ltd.** (1996), 68 C.P.R. (3d) 168.

The opponent's statement of services in its registration no. TMA456,954 are as follows:

“Electronic transmission of financial market quotes; news headlines; news alerts; financial market news reports, analyses, and commentaries; and sports scores, sports headlines, and wagering odds to subscribers”. The opponent’s statement of wares in its registration no. TMA343,888, include the following: “Computer programs, program manuals, and FM receivers all sold as a unit for use in inputting investment data directly into a computer.”

In my view, the only similarity between the parties’ wares and services is that both parties’ wares are comprised of computer software programs and both parties offer the electronic transmission of data. The nature of the parties’ businesses is quite different as the opponent’s wares and services have been restricted to the provision of financial market and sports information while the applied for wares and services have been restricted to data network security. Nevertheless, I would expect that the parties’ channels of trade would overlap to some extent.

With respect to Section 6(5)(e) of the Act, the parties’ marks are almost identical with respect to appearance and sound as the only difference between the two marks is the numeral “9” that follows the applicant’s mark. The ideas suggested by both parties’ marks are also similar as both suggest some type of indication or designation. The component “9” in the applicant’s mark, in my view, suggests that the applicant’s products and services may constitute the ninth in a series of such products and services offered by the applicant.

As a further surrounding circumstance, I have considered the state of the register evidence submitted by way of the affidavit of Colleen Becker. State of the register evidence is only relevant in so far as one can make inferences from it about the state of the market-place: see the opposition decision in **Ports International Ltd.** v. **Dunlop Ltd.** (1992), 41 C.P.R. (3d) 432 (T.M. Opp. Bd.), and the decision in **Welch Foods Inc.** v. **Del Monte Corp.** (1992), 44 C.P.R.

(3d) 205, 56 F.T.R. 249, 34 A.C.W.S. (3d) 1278 (T.D.). Also of note is the decision in **Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.** (1992), 43 C.P.R. (3d) 349, [1992] 3 F.C. 442, 145 N.R. 131 (C.A.), which is support for the proposition that inferences about the state of the market-place can only be drawn from state of the register evidence where large numbers of relevant registrations are located.

Ms. Becker's state of the register evidence was set out in a clear and concise manner and was neatly classified into 4 different parts including: third party registrations for the word mark SIGNAL alone; third party registrations for the mark SIGNAL in a stylized design format; third party registrations for marks that include the component SIGNAL for wares and services in the same general field as occupied by the applicant; and additional registrations which employ the word SIGNAL as part of the mark in respect of various goods and services. Although Ms. Becker's evidence revealed 13 third party registrations for either the word or design mark SIGNAL alone, none of these registrations were for wares or services related to those of the applicant or the opponent. The most relevant evidence provided by Ms. Becker, therefore, was her evidence of the 5 registrations for trade-marks for wares or services related to those of the applicant where the mark included the component "signal" as part of the mark. In the absence of evidence of use of these registered marks, however, I am unable to infer that any of them are currently in use to more than a minimal extent. Thus, I am unable to make any inferences about the possible common use of the component SIGNAL in the marketplace by other traders in computer software products and electronic transmission of data services such as those at issue in the present case.

As an additional surrounding circumstance, I have considered Ms. Rutten's evidence that the applicant's mark was registered in the U.S. under Registration No. 2,119,691 on Sept. 12, 1997, and therefore has co-existed in the U.S. market with the opponent's marks since such time

with no evidence of confusion. Ms. Rutten further states that the applicant has experienced no confusion in its markets with products or services offered by the opponent under and of its trade-marks, nor has the applicant experienced any confusion in its markets with the SIGNAL and SIGNAL Design marks registered by various companies.

While concurrent use of identical marks that co-exist in Canada or the U.S. has had the effect of mitigating the issue of confusion in some cases, I do not consider this to be a relevant factor in the present case for several reasons. First, in cases where concurrent use has been considered relevant, the concurrent use had occurred for a long period of time (i.e. more than 10 years) while in the present case the marks appear to have co-existed in both markets for only 2 years as of the date of Ms. Rutten's affidavit (see **Weetabix of Canada Limited v. Kellogg Canada Inc.** (T-2343-97, June 24, 2002, F.C.T.D. and **Multiplicant Inc. v. Petit Bateau Valton S.A.** (1994), 55 C.P.R. (3d) 372 (F.C.T.D.)). Second, there is no evidence of what the opponent's channels of trade in Canada or the U.S. have been, nor any indication of what the applicant's sales were in either Canada or the U.S. between 1997 and 1999. I am therefore unable to determine whether the sales of both parties' wares were significant enough that the absence of instances of actual confusion in either Canada or the U.S. is a particularly relevant circumstance in this proceeding.

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, and particularly in view of the potential for overlap between the parties' channels of trade and the high degree of resemblance between the marks at issue, I find that the applicant has not satisfied the onus on it with respect to the remaining grounds of opposition. The third, fourth, fifth and sixth grounds of opposition are therefore successful.

Accordingly, and with the authority delegated to me under s. 63(3) of the Act, I refuse the applicant's application pursuant to s.38(8) of the Act.

DATED AT HULL, QUEBEC, THIS 28th DAY OF October, 2002.

C. R. Folz
Member,
Trade-Marks Opposition Board