IN THE MATTER OF AN OPPOSITION by Mytec Technologies Inc. to application No. 647,469 for the trade-mark ALARMFORCE filed by Alarmforce Industries Inc.

On December 19, 1989, Alarmforce Industries Inc. filed an application to register the trade-mark ALARMFORCE based upon use of the trade-mark in Canada since at least as early as January 1989 in association with "security and fire detection monitoring and alarm systems for residential and commercial properties" and in association with "the operation of a business dealing in security and fire detection systems for residential and commercial properties".

The applicant's application was advertised in the Trade-marks Journal of March 27, 1991 and the opponent, Mytec Technologies Inc., filed a statement of opposition on April 29, 1991. In its statement of opposition, the opponent alleged that the applicant's trade-mark is not registrable in view of Section 12(1)(b) of the Trade-marks Act in that the trade-mark ALARMFORCE is clearly descriptive in the English language of the character or quality of the applicant's wares. As its second and third grounds, the opponent alleged that the trade-mark ALARMFORCE is not registrable and the applicant is not the person entitled to its registration in that the applicant's trade-mark is confusing with the opponent's trade-mark COUNTERFORCE, registration No. 346,647, for the services of monitoring of electronic signals received from residential and commercial systems and related monitoring activities that had previously been used or made known in Canada. As its final ground, the opponent alleged that the applicant's trade-mark is not distinctive since it is not adapted to distinguish and does not actually distinguish the applicant's wares from the wares of the opponent.

The applicant 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 Lynn C. Scott and Keith Clemons who were cross-examined on their affidavits, the transcripts of the cross-examinations and an exhibit to the Scott cross-examination, as well as the responses to undertakings given during the cross-examinations, forming part of the opposition record. The applicant filed as its evidence the affidavits

of Katherine Petcher and Joel Matlin. As evidence in reply, the opponent submitted a second affidavit of Keith Clemons. Further, both parties submitted written arguments and both were represented at an oral hearing.

As its first ground of opposition, the opponent alleged that the applicant's trade-mark is not registrable in view of the provisions of Section 12(1)(b) of the Trade-marks Act in that the trade-mark ALARMFORCE is clearly descriptive in the English language of the character or quality of the applicant's wares. With respect to the Section 12(1)(b) ground of opposition, the legal burden is on the applicant to establish that its trade-mark ALARMFORCE is registrable. However, there is an initial evidential burden on the opponent to adduce sufficient evidence which, if believed, would support the truth of its allegations that the applicant's trade-mark is clearly descriptive of the character or quality of its wares. The relevant date for considering a ground of opposition based on Section 12(1)(b) of the Act is as of the date of decision [see *Lubrication Engineers, Inc. v. The Canadian Council of Professional Engineers*, 41 C.P.R. (3d) 243 (F.C.A.)]. As no evidence has been adduced by the opponent in support of this ground, the opponent had failed to meet the evidential burden upon it. In any event, I do not consider the trade-mark ALARMFORCE, when considered in its entirety, to be descriptive of either security and fire detection monitoring and alarm systems or of the operation of a business dealing in such systems. As a result, I have dismissed the first ground of opposition.

The second ground of opposition is based on Section 12(1)(d) of the Trade-marks Act, the opponent asserting that the applicant's trade-mark ALARMFORCE is confusing with its registered trade-mark COUNTERFORCE. In determining whether there would be a reasonable likelihood of confusion between the trade-marks at issue, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in Section 6(5) of the Trade-marks Act. Further, 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 ALARMFORCE and COUNTERFORCE. The material date for assessing the Section 12(1)(d) ground of opposition is as of the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks*, 37 C.P.R. (3d) 413 (F.C.A.)]

Considering initially the inherent distinctiveness of the trade-marks at issue, I would note that the word "counterforce" is defined in Webster's Third New International Dictionary as "a force, power, activity, or trend that opposes or counters another". As a result, and to the extent that the opponent's monitoring services counter burglaries or the like, the opponent's registered trade-mark COUNTERFORCE is somewhat suggestive of its services. The applicant's trade-mark ALARMFORCE is a coined word but is nevertheless suggestive of an alarm system and an associated security force or agency. Accordingly, both of the trade-marks at issue possess a limited degree of inherent distinctiveness.

The first Clemons affidavit provides details as to the manner and extent to which the opponent has used its trade-mark COUNTERFORCE in Canada in association with alarm system monitoring services. According to Mr. Clemons, Counterforce Inc., a wholly owned subsidiary of the opponent since 1988 and, as of the date of his affidavit, a registered user of the registered trade-mark COUNTERFORCE, provides security monitoring services for alarm systems installed by small independent alarm dealers. When a dealer requests monitoring services for a premises, the dealer enters a monitoring agreement with Counterforce Inc., with approximately 19,000 such agreements have been entered into throughout Canada from 1988 to December 31, 1992 (*second Clemons affidavit, paragraph 18*). Labels affixed at a prominent part of the premises such as the door or window identify the fact that the premises are monitored by Counterforce (*first Clemons affidavit, paragraph 12; and second Clemons affidavit, paragraph 12*). Counterforce Inc. advertises in trade journals, distributes promotional items and distributes a newsletter directed primarily to alarm system dealers (*first Clemons affidavit, paragraphs 7 to 10*). Further, the COUNTERFORCE trade-mark is brought to the attention of the public by means of the trade-mark COUNTERFORCE appearing on vans of authorized dealers, business cards of the authorized dealers, and dealer uniforms bearing the opponent's trade-mark embroidered on the pocket (*second Clemons affidavit, paragraphs 11, 13 and 15*). From the first Clemons affidavit, it would appear that Counterforce Inc. has derived approximately $5,500,000 in revenue from customers of its COUNTERFORCE monitoring services from 1988 to 1991 inclusive. Moreover, 60% of the monitoring accounts services by Counterforce Inc. are directed to residential customers while 40% are commercial accounts (*second Clemons affidavit, paragraph 4*). Having regard to the above, I have concluded

that the opponent's trade-mark COUNTERFORCE as applied to security monitoring services has become known in Canada.

In his affidavit, Joel Matlin, President of the applicant, states that the applicant had sold about 2080 ALARMFORCE alarm systems as of October 31, 1992 having a value of in excess of $1,090,000 while estimated sales by the applicant's franchisees during 1991 and 1992 amounted to approximately $1,000,000. According to Mr. Matlin, approximately 90% of the applicant's systems were sold to residential purchasers. As well, from January 1989 to October 1992, the applicant had placed more than 2100 radio advertisements and more than 400 television advertisements relating to its ALARMFORCE security systems, as well as placing newspaper and magazine ads and inserting listings in Yellow Pages directories (*Matlin affidavit, paragraphs 16 and 19*). Having regard to the Matlin affidavit, I have concluded that the applicant's trade-mark ALARMFORCE has become known primarily in Southern Ontario in association with security and fire detection monitoring and alarm systems.

The length of use of the trade-marks at issue weighs somewhat in the opponent's favour in this opposition, the opponent's wholly owned subsidiary, Counterforce Inc., having commenced use of its trade-mark COUNTERFORCE in Canada in 1988 whereas the applicant commenced use of its trade-mark ALARMFORCE in Canada in January 1989.

Considering the respective wares and services of the parties, the applicant's "security and fire detection monitoring and alarm systems" and its "operation of a business dealing in security and fire detection systems" would, in my view, be perceived by the average consumer as being very closely related to the opponent's services relating to the "monitoring of signals received from residential and commercial alarm systems and related monitoring activities". Indeed, monitoring service such as those provided by the opponent are an integral part of the operation of the monitoring and alarm systems sold by the applicant in association with its trade-mark ALARMFORCE. Indeed, while the present application does not cover monitoring services in the statement of services, the applicant does, in fact, provide such services to its customers (*Matlin affidavit, paragraph 14*). Additionally, the opponent has marketed a hardware product under the trade-mark MAYDAY since May 1992

through Counterforce Inc. and the latter's authorized dealers (*second Clemons affidavit, paragraph 5*).

As for the respective channels of trade of the parties, the applicant has submitted that the manner in which it carries on business in Canada differs from the nature of the opponent's business. While that may indeed be the case, the manner in which the parties currently are carrying on business is not determinative of the channels of trade of the parties when considering the issue of the likelihood of confusion in respect of a Section 12(1)(d) ground of opposition. In an opposition proceeding, the Registrar must have regard to the respective wares and services covered in the present application and in the opponent's registration as these statements of wares and services determine the scope of the monopoly accorded the opponent in respect of its registered trade-mark or being sought be the applicant in relation to its mark. In considering the statements of wares and services of the parties, the Registrar must determine what the average consumer or user would consider as being the normal channels of trade for those wares and services. In the present case, and as the wares and services covered in the present application and the opponent's registration are closely related, I must conclude that the channels of trade of the parties could potentially overlap.

As for the degree of resemblance between the trade-marks at issue, I consider there to be some resemblance between the trade-marks ALARMFORCE and COUNTERFORCE both in appearance and in sounding although the trade-marks do not suggest similar ideas.

The opponent's evidence points to the existence of an existing registration for the trade-mark ALARMFORCE & Design, registration No. 369,514, dated June 15, 1990 and covering essentially the same wares and services as are covered in the present application. However, as pointed out by the hearing officer in *Coronet-Werke Heinrich Schlerf GmbH v. Produits Menagers Coronet Inc.,* 4 C.P.R. (3d) 108, at pg. 115, Section 19 of the Trade-marks Act does not give the owner of a registration the automatic right to obtain any further registrations no matter how closely they may be related to the original registration [see also *Groupe lavo Inc. v. Proctor & Gamble Inc.*, 32 C.P.R. (3d) 533, at pg. 538]. While the decision of the hearing officer was reversed on appeal [see *Produits Menagers Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH,* 10 C.P.R. (3d) 482]), it was on

the basis of new evidence filed on appeal that the applicant had used its previously registered trade-mark in Canada.

As a further surrounding circumstance in respect of the issue of confusion, the opponent in the first Clemons affidavit referred to a meeting between Joel Matlin and the President of the opponent, George Tomko, Dennis Hollingsworth, President of Counterforce Inc. and Keith Clemons in July of 1988 when Mr. Matlin was President of Frisco Bay Industries of Canada Limited. In his affidavit, Mr. Matlin states that "the purpose of the meeting was to determine whether it might be mutually advantageous for Frisco Bay and Counterforce Inc. to work together in some manner to develop the market for security systems in Canada". According to Mr. Matlin, he sold his ownership interest in Frisco Bay on December 12, 1988 and the applicant was incorporated on November 16, 1988. Apart from Mr. Matlin being aware of Counterforce Inc. and the nature of the business being carried on by it prior to his incorporating the applicant, I do not consider this evidence to be of much relevance to the issue of confusion between the trade-marks ALARMFORCE and COUNTERFORCE.

As a further surrounding circumstance in the present case, Mr. Matlin in paragraph 35 of his affidavit pointed to the existence of a listing in the CANASA Directory, the Membership Directory of the Canadian Alarm and Security Association for 1992/1993, for a company called Triforce Security Inc., as well as a listing in the Toronto Yellow Pages telephone directory for a security company called "Pro Force Protection Services Inc.". However, from the Clemons reply affidavit, it would appear that Pro Force Protection Services Inc. is not currently in business under that name. As a result, and even considering that Triforce Security Inc. is carrying on business in Canada under that name in the area of security systems, the existence of one other company having the word Force as part of its name certainly does not establish that the word is common to the trade in the area of security systems and the monitoring thereof.

As yet a further surrounding circumstance in respect of the issue of confusion, the opponent relied upon evidence of instances of mistake or actual confusion involving the trade-marks at issue. In paragraphs 21 to 24 of his affidavit, Mr. Clemons states the following:

21. During 1991, I received telephone calls from up to five different people who mistakenly associated Counterforce with Alarmforce.

22. On or about September, 1991, I approached the radio station CFRB to place an advertisement for Counterforce. The sales representative who answered my call indicated that we have already placed an advertisement with CFRB. As it turned out, she had mistaken the advertisement placed by Alarmforce to be ours. In order to avoid confusion, it was suggested that we design our advertisement in such a way as to provide sufficient contrast. As a result, Counterforce never placed any advertisement on radio broadcasting.

23. On January 8, 1992, I met with Jim Ruggles, the national accounts manager of Call Net Canada, the cellular telephone branch of Bell Canada. At the meeting, Mr. Ruggles volunteered that Alarmforce has an existing special arrangement with Call Net Canada, which arrangement would be extended to Counterforce if the two companies are related. I apologized for the confusion and explained that we have no association with Alarmforce.

24. On January 15, 1992, Mr. John Stasick of Newmarket called Counterforce and was put through to me. Mr. Stasick wanted information on the alarm system he said he heard us advertise on radio station CFRB. Mr. Stasick's particular interest was in the two-way voice communication feature of the system. I explained that this was not our advertisement, and that what he heard was the advertisement for Alarmforce. I then asked how he obtained our number to call. Mr. Stasick said that he heard the advertisement while listening to the radio in his car and that he waited until he arrived at his office to look up the advertised company's number up in the phone book. When he saw our name in the phone book he thought it was the one he had heard advertised.

In paragraph 25 of his affidavit, Mr. Clemons also identifies a situation where the wife of Counterforce station manager Steve Scott was confused about the source of an advertisement which she heard on CFRB radio station. In her affidavit, Ms. Scott states that on January 14, 1992, she was listening to radio station CFRB and heard an advertisement describing services which were very similar to what she understood were offered by Counterforce, the company for which her husband works. When she heard the word "FORCE" during the commercial, Ms. Scott states that she thought

the advertisement had been placed by Counterforce to advertise its services.

Both Ms. Scott and Mr. Clemons were cross-examined on their affidavits and, in my view, their cross-examinations do not detract from the credibility of their evidence. It would appear that certain of the instances described by Mr. Clemons, as well as the occurrence described by Ms. Scott, do not constitute evidence of actual confusion in that the situations did not occur at the time of the transfer of the property in or possession of wares or in the performance or advertising of services, bearing in mind that the applicant was advertising wares and not services in its advertisements. However, instances of actual confusion or mistake are not limited to those occurring at the time of transfer in or possession of the wares. In particular, I bielieve it is arguable as to whether 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 limited to trade-mark use as contemplated by Sections 4(1) or 4(2) of the Act. In any event, the nature of the instances of mistake described by both Mr. Clemons and Ms. Scott emphasize the degree of resemblance between the trade-marks at issue and support the conclusion that there would be a reasonable likelihood of confusion between the trade-marks at issue even if they may technically not be instances of actual confusion [see *Hudson's Bay Co*. v. *Peoples Jewellers Ltd.*, 46 C.P.R. (3d) 249, at pg. 260].

. Considering that the wares and services covered in the present application and the opponent's registration are closely related and that the channels of trade could potentially overlap and having regard to the evidence of the instances of mistake or actual confusion described in the opponent's evidence, I have concluded that the opponent has failed to meet the legal burden upon it of establishing that there would be no reasonable likelihood of confusion between the trade-marks at issue. 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 29th DAY OF SEPTEMBER, 1995.

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