

IN THE MATTER OF AN OPPOSITION by Paramount Pictures Corporation
to application No. 863,598 for the trade-mark PARAMOUNT filed by 2900319
Canada Incorporated Trading as Les Industries Encore/ Encore Industries

On December 10, 1997, the applicant, 2900319 Canada Incorporated Trading as Les Industries Encore/ Encore Industries, filed an application to register the trade-mark PARAMOUNT based on proposed use in Canada. The application, as amended, covers the following wares: “watchbands”. The application was advertised for opposition purposes on December 16, 1998.

The opponent, Paramount Pictures Corporation, filed a statement of opposition on May 17, 1999. The first ground of opposition is that the mark is not registrable pursuant to s.12(1)(d) of the *Trade-Marks Act*, R.S.C. 1985, c. T-13 (“the Act”), because it is confusing with the opponent’s registered marks including: PARAMOUNT (Regn. No. UCA 20627); PARAMOUNT COMMUNICATIONS (Regn. No. 416,820); PARAMOUNT HOME VIDEO and Design (Regn. No. 325,760); PARAMOUNT PARKS and Design (Regn. No. 429,492) and PARAMOUNT PICTURES (Regn. No. UCA 14037), used in association with a variety of wares and services. The second ground of opposition is that the applicant is not the person entitled to registration of the mark in view of the provisions of Sections 16(3)(a) of the Act in that at the filing date of the application, the applied for trade-mark was confusing with the above noted trade-marks of the opponent which had been previously used in Canada by the opponent or a licensee in association with the registered wares and services as well as a wide variety of other goods and services including, *inter alia*, watches and jewellery. As its third ground of opposition, the opponent asserts that the applicant is not the person entitled to registration of the mark pursuant to s.16(3)(b) of the Act because at the filing date of the application, the applied for mark was confusing with the opponent’s previously filed application for the trade-mark PARAMOUNT (Appln. No. 825,837) for clothing namely socks, stockings, tights, leggings, and nylon hosiery and panty hose. The fourth ground is that the applicant is not the person entitled

to registration pursuant to Section 16(3)(c) of the Act because at the filing date of the application, the applied for mark was confusing with the opponent's trade-name PARAMOUNT which had been previously used and made known in Canada by the opponent and/or its licensees in association with a variety of wares and services, including those noted above. The final ground of opposition is that the trade-mark does not distinguish and is not adapted to distinguish the applicant's wares from the wares and services of the opponent because of the opponent's or its licensee's prior use of the opponent's above noted trade-marks and trade-name.

The applicant filed and served a counter statement on June 10, 1999, in which it generally denied the allegations asserted by the opponent in its statement of opposition. As its evidence, the opponent submitted the affidavits of Joanna Kotsopoulos, Michelena Hallie and Jason Ropell, as well as certified copies of the following trade-mark registrations: PARAMOUNT (Regn. No. UCA 20627); PARAMOUNT COMMUNICATIONS (Regn. No. 416,820); PARAMOUNT HOME VIDEO and Design (Regn. No. 325,760); PARAMOUNT PARKS and Design (Regn. No. 429,492) and PARAMOUNT PICTURES (Regn. No. UCA 14037). The applicant's evidence consisted of a document sworn by H.M. Percher, President of the applicant company entitled "Response to Evidence Submitted by the Opponent", attached to which were 14 third party registrations for the word PARAMOUNT for different products and services than those of the opponent. Only the opponent filed a written argument and an oral hearing was not held.

Opponent's Evidence

Hallie Affidavit

Ms. Hallie identifies herself as Vice President and Assistant Secretary of Paramount

Pictures Corporation (“Paramount”) and Vice-President and Senior Counsel Intellectual Property of Viacom, Inc., the parent company of Paramount and its related companies. The Hallie affidavit reviews the opponent’s and or its licensees’ significant use of the PARAMOUNT trade-marks since 1914. During the period 1985 to 1999, Paramount released 228 motion picture films in Canada bearing the PARAMOUNT trade-marks. Sales in Canada from pictures released by Paramount during the period 1995 to 1999 exceeded \$311 million. Paramount has also produced and sold over 160 television series for distribution in Canada during the period 1967 to 1998. Ms. Hallie further states that as a result of Paramount’s worldwide reputation in both the motion picture and television industry, Paramount has licensed the use of the PARAMOUNT trade-marks, as well as trade-marks associated with Paramount motion pictures and television series for use on consumer merchandise, including, *inter alia*, clothing, jewellery and watches. Much of this merchandise is not covered by any of the opponent’s trade-mark registrations.

In 1999, one of Paramount’s licensees, The Franklin Mint, produced a variety of products in association with Paramount’s STAR TREK mark including a pocket watch upon which the notation “TM & ©1999 Par. Pic.” appeared on the inside lid. Another licensee, Paramount Parks Inc., has sold caps, clothing, glassware, key chains, lapel pins, pennants, balloons and stationery supplies marked with the PARAMOUNT trade-mark at Paramount Canada’s Wonderland amusement park since 1993. In 1994, 225 watches marked with the PARAMOUNT trade-mark were manufactured for sale and distribution in Canada at Paramount Canada’s Wonderland, some of which were distributed to staff at the park.

Kotsopoulos Affidavit

Ms. Kotsopoulos identifies herself as a searcher employed by the opponent’s trade-mark agents. Her affidavit outlines the particulars of searches of the Trade-Marks Office records

which she conducted to locate registrations containing specified words in the wares and services index. Of the registration pages attached to her affidavit as Exhibits C, D and E, eight of the registrations cover both watches and watchbands, watchstraps or accessories for watches.

Ropell Affidavit

Mr. Ropell identifies himself as a student-at-law employed by the agents for the opponent. Mr. Ropell's affidavit outlines the particulars of his visits to three different retail stores in which he observed that in each store, watches and watch bands were both sold in close proximity to each other. In addition, he noted that at the Bay department store, some watches were sold in the same type of display cases as the watchbands.

Applicant's Evidence

The opponent submits that the applicant's evidence should be disregarded for the following reasons. First, the opponent submits that the document does not include a statement that Mr. Percher "made oath" at the time the document was sworn. Second, the exhibit slips do not have a correct jurat because the exhibit slips refer to the affidavit of "2900319 Canada Incorporated trading as Encore Industries" as opposed to the affidavit of H.M. Percher to which the exhibits are attached. Finally, the opponent submits that the exhibits themselves have not been properly referenced in the Percher affidavit. The affidavit refers to the "enclosed" evidence of 14 trade-mark registrations, whereas the exhibits themselves are individually referenced on the exhibit slips as Exhibits 1 to 14.

Dealing first with the issue of whether the evidence submitted is technically an affidavit, although the document is not identified as the affidavit of Mr. Percher, and does not include the

standard beginning to an affidavit (*i.e.* I, , hereby make oath and swear as follows...), Mr. Percher's signature appears at the end of the document along with a completed jurat indicating that the document was sworn before a commissioner of oaths in Montreal, on July 11, 2000. I therefore consider that the document submitted is technically an affidavit.

Apart from the evidence submitted being technically an affidavit, I would now like to comment on the admissibility of the contents of the affidavit. The document is entitled "Response to Evidence Submitted by Opponent" and notes at the outset that the response in the document is essentially the same as the applicant's counter statement. Reference throughout the document is to "the applicant" or "we" and the document, for the most part, includes arguments as opposed to facts.

In my view, those portions of the affidavit that contain legal arguments with respect to the issues in this opposition are inadmissible. In this regard, I note the following comments of Justice Whitford in Alfred Dunhill Ltd. v. Sunoptic S.A. [1979] F.S.R. 337 at p.352:

"Affidavits are designed to place facts, whether disputed or otherwise, before the tribunal for whose help they are prepared. They are not designed as a receptacle for or as a vehicle for legal arguments. Draftsmen of affidavits should not, as a general rule, put into the mouths of the intended deponents legal arguments of which those deponents are unlikely ever to have heard. Legal arguments, especially in interlocutory proceedings, should come from the mouths of those best qualified to advance them and not be put into the mouths of the deponents."

The only part of the affidavit which is not argument, is the reference to 14 examples of PARAMOUNT registrations being enclosed. However, there is no indication that Mr. Percher is the person who conducted the search which revealed the registrations. Further, as noted by the opponent, while the affidavit refers to the "enclosed" evidence of 14 registrations, the exhibits themselves are individually referenced on the exhibit slips as Exhibits 1 to 14. Finally, the jurat

of each exhibit states that the exhibit was “mentioned and referred to in the Affidavit of 2900319 Canada Incorporated, trading as Encore Industries dated July 11, 2000, sworn before me this 11th day of July, 2000.”

Given that these exhibits were not confirmed by the oath of Mr. Percher, the person to whose affidavit these exhibits were attached, and do not constitute certified copies of trade-mark registrations pursuant to s.54(1) of the Act, I consider them to be inadmissible. I find it odd that the commissioner of oaths even permitted the exhibits to be identified as exhibits to an affidavit of a corporation, when corporations are not living individuals capable of swearing an oath in the first place. In any case, this invalid jurat leads me to believe that some other officer of the applicant company conducted the search which revealed the registrations, and not Mr. Percher himself. I would like to add that since the opponent alerted the applicant to the deficiencies in its evidence shortly after the applicant’s evidence was filed, the applicant had an ample amount of time to correct the deficiencies before the decision stage of these proceedings but it chose not to do so. I have therefore concluded that the entire contents of the Percher affidavit are inadmissible, although the affidavit itself is technically admissible.

Grounds of Opposition

Considering first the final ground of opposition, the opponent in the present case has evidenced long and extensive use of its trade-marks and trade-name in Canada prior to the filing date of the present application. However, even were the applicant aware of the opponent’s trade-marks and trade-name prior to filing the present application, no evidence has been adduced to show that the applicant could not properly have been satisfied that it was entitled to use its trade-mark in Canada in association with the applied for wares on the basis, *inter alia*, that its trade-mark is not confusing with the opponent’s marks and trade-name. Thus, the success of this

ground is contingent upon a finding that the applicant's trade-mark is confusing with the opponent's trade-marks and trade-name, such that the applicant's trade-mark is not registrable or not distinctive, or that the applicant is not the person entitled to registration, as alleged in those grounds (see **Consumer Distributing Co. Ltd. v. Toy World Ltd.**, 30 C.P.R. (3d) 191 at 195; and **Sapodilla Co. Ltd. v. Bristol-Myers Co.**, 15 C.P.R. (2d) 152 at 155).

Each of the remaining grounds of opposition turn on the issue of confusion between the applicant's mark PARAMOUNT and the opponent's PARAMOUNT marks and trade-name, as registered and/or previously used in Canada in association with a variety of wares and services. The legal burden is on the applicant to establish that there would be no reasonable likelihood of confusion between the trade-marks at issue as of the material date. 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 filing date (*i.e.* December 10, 1997) and the date of opposition (*i.e.* May 17, 1999). In the circumstances of this case, the opponent's strongest case would appear to be under the s.16(3)(a) ground, since the relevant wares for which the opponent has shown use are wares that are not covered by its registered marks. The material date which will therefore be used to assess the issue of confusion will be the applicant's date of filing.

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.)).

With respect to s.6(5)(a) of the Act, given the laudatory connotation of the word PARAMOUNT, neither parties' mark is inherently strong. The extent to which the trade-marks have become known clearly favours the opponent as it has shown use of its marks since at least as early as 1914 while the applicant has not shown any use of its mark. For the same reasons, the length of time the marks have been in use (Section 6(5)(b)) also favours the opponent.

As for s.6(5)(c) of the Act, the applied for wares are watchbands while the opponent has shown use of its PARAMOUNT marks in association with, *inter alia*, entertainment goods and services including motion picture films and television shows and related audio-video recordings, as well as merchandising items such as clothing, glassware, key chains, lapel pins, pennants, balloons and stationery supplies. In particular, the opponent has shown use of the PARAMOUNT trade-mark on watches dating back to 1995, which was prior to the filing of the applicant's application. As I consider watches and watch bands to be related items, I find that the parties' wares overlap to some extent.

With respect to the parties' channels of trade, the opponent has only shown minimal use of its mark with watches, and that was at a specific location (*i.e.* Paramount Canada's Wonderland). Although I agree with the applicant that watchbands are parts or accessories that are normally sold as components to manufacturers, wholesalers, importers, and retail jewellery departments, I note that the applicant's application is not restricted in any regard. Therefore, as the applicant would be open to sell its watchbands anywhere, including at souvenir or boutique

stores as those of the opponent at its Paramount Canada's Wonderland, I consider that there is a potential that the parties' channels of trade could overlap.

With respect to s.6(5)(e) of the Act, the marks are identical in appearance, sound and ideas suggested.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. I have also considered that the applicable standard of proof is the balance of probabilities. In view of my conclusions above, and in particular to the acquired distinctiveness of the opponent's mark with respect to entertainment goods and services including motion picture films and television shows and related audio-video recordings, as well as merchandising items, the potential for overlap between the parties' channels of trade, and the fact that both marks are identical, I find that the applicant has failed to meet the legal burden upon it in respect of the issue of confusion. Consequently, the applicant's PARAMOUNT trade-mark is not registrable and not distinctive, and the applicant is not the person entitled to its registration. The remaining 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 5th DAY OF December, 2002.

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