



LE REGISTRAIRE DES MARQUES DE COMMERCE  
THE REGISTRAR OF TRADE-MARKS

**Citation: 2012 TMOB 200**  
**Date of Decision: 2012-10-29**

**IN THE MATTER OF AN OPPOSITION  
by Allianz Global Investors of America  
L.P. to application No. 1,206,158 for the  
trade-mark INDEXPLUS INCOME  
FUND Design in the name of Middlefield  
Capital Corporation**

[1] On February 11, 2004, Middlefield Securities Limited filed an application to register the trade-mark INDEXPLUS INCOME FUND Design (the Mark), as shown below:

**INDEXPLUS**  
INCOME FUND

[2] The application is based on use of the Mark in Canada since at least as early as August 15, 2003 in association with financial and investment services, namely creation and management of investment funds and assets on behalf of financial institutions, corporations and individuals and the provision of financial and investment advisory services in the areas of creation and structuring of investment vehicles, the completion of offerings to investors, and the identification, selection and monitoring of suitable investments. The right to the exclusive use of the words INDEX and INCOME FUND is disclaimed apart from the trade-mark.

[3] The application is currently in the name of Middlefield Capital Corporation (the Applicant).

[4] The application was advertised for opposition purposes in the *Trade-marks Journal* of January 16, 2008.

[5] On June 6, 2008, Allianz Global Investors of America L.P. (the Opponent) filed a statement of opposition against the application, which pleaded three grounds of opposition pursuant to section 38 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act). The Applicant filed and served a counter statement in which it denied the Opponent's allegations.

[6] In support of its opposition, the Opponent filed an affidavit of Elenita Anastacio. In support of its application, the Applicant filed an affidavit of W. Garth Jestley, sworn March 16, 2009. On November 5, 2009, the Opponent cross-examined Mr. Jestley on his affidavit and a copy of the transcript is of record. In addition, the parties agreed that the cross-examination of Mr. Jestley that was conducted on January 21, 2009, in respect of an opposition proceeding re application No. 1,270,814, should also form part of the present record. The Applicant subsequently obtained leave to file a second affidavit of Mr. Jestley, sworn December 19, 2011, to correct an oversight in the previously filed affidavit. (In the first Jestley affidavit, the Commissioner for Oaths neglected to sign all of the exhibit slips – the second Jestley affidavit is identical to the first, the difference being that all of the exhibit slips have been signed.)

[7] As reply evidence, the Opponent filed a second affidavit of Elenita Anastacio. I agree with the Applicant's submission that this evidence ought not to be considered because it is not proper reply evidence.

[8] Only the Applicant filed a written argument but both parties made submissions at an oral hearing.

### Onus

[9] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

### Section 38(2)(a)/30(b) Ground of Opposition

[10] The Opponent has pleaded that the application is not in compliance with section 30 of the Act. The pleadings claim that the Applicant has not used the Mark since the date of first use alleged or at all in association with the services listed in the application. In the alternative, the pleadings allege that if the Mark was in use in Canada, such use was by a third party not in compliance with section 50 of the Act.

[11] The material date with respect to section 30 is the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475]. The relevant subsection (b) is complied with if there was continuous use of the applied for trade-mark in the normal course of trade since the date claimed [*Labatt Brewing Co v Benson & Hedges (Canada) Ltd* (1996), 67 CPR (3d) 258 (FCTD) at 262].

[12] An opponent's initial evidential burden is lighter respecting the issue of non-conformance with section 30(b) [*Tune Masters v Mr. P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB) at 89] and can be met by reference not only to the opponent's evidence but also to the applicant's evidence [*Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) (FCTD) 216 at 230]. However, while the Opponent may rely upon the Applicant's evidence to meet its evidential burden, the Opponent must show that the Applicant's evidence is clearly inconsistent with the Applicant's claims as set forth in its application [*Ivy Lea Shirt Co v. 1227624 Ontario Ltd* (1999), 2 CPR (4th) 562 (TMOB) at 565-6, affirmed 11 CPR (4th) 489 (FCTD)].

[13] At the oral hearing, the Opponent submitted that i) there is no evidence of use of the Mark as of August 15, 2003; ii) there is no evidence of use of the Mark by the Applicant; iii) if the Mark was in use as of that date, then the use was by a party who has not been shown to be a controlled licensee as required by section 50.

[14] As the Opponent relies on the Applicant's evidence and/or lack of evidence to satisfy its initial burden, I will summarize the Applicant's evidence as it relates to the period of time between August 15, 2003 and February 11, 2004.

[15] Mr. Jestley is the Applicant's President, Secretary, Chief Compliance Officer and Chief Executive Officer and held those positions during the material time period. He attests that Middlefield Securities Limited, the original applicant, changed its name in 2003 to Middlefield Capital Corporation, the Applicant.

[16] The Applicant is part of a group of companies that use the word Middlefield in their names. The following is my understanding of their interrelationships and roles.

[17] MFL Management Limited wholly owns both the Applicant and Middlefield Fund Management Limited.

[18] Mr. Jestley attests that the Applicant licenses its parent (MFL Management Limited), its sister (Middlefield Fund Management Limited), and Guardian Capital LP (formerly Guardian Capital Inc.) to use the Mark in association with the applied for services. Mr. Jestley attests, "Under such license, the Applicant has direct and indirect control of the character and quality of the Applicant's Services provided by the Licensees in association with the Applicant's Marks. The Applicant establishes the quality standards to be met by the Licensees and the Applicant actively ensures such standards are in fact met."

[19] The Opponent did ask some questions regarding the Applicant's licenses on cross-examination and established that there are no written license agreements and no written list of quality/character standards. Mr. Jestley stated that the licenses are oral and were created at the inception of the fund; he is unaware of any memoranda or minutes of directors' or shareholders' meetings which reflect that.

[20] Overall, the Opponent established that there is no documentation that reflects the Applicant's oral licenses and/or their character and quality standards. However, the Opponent did not ask any questions about what the character and quality standards are or how they are enforced. Therefore, in the end, there is no evidence that the oral licenses did not exist or that the Applicant did not control the character or quality of the services performed by its licensees. I therefore find that there is no evidence that is clearly inconsistent with Mr. Jestley's attestation that the Applicant licensed the Mark and controlled the character or quality of the services performed by its licensees.

[21] The Mark relates to a particular investment fund. When a new fund is launched, such as that which is associated with the Mark, it is initially sold only through registered dealers. These dealers (also referred to as agents and investment advisors) just promote the fund; they do not use the Mark.

[22] The Applicant provides advice to the fund and executes trades. The Applicant is an investment/fund advisor. At the time of the evidence, the fund was managed by the licensee, Middlefield Fund Management Limited. The licensee Guardian Capital LP has at all times been a co-advisor to the fund.

[23] The Applicant's position is that it was marketing a fund in association with the Mark through investment advisors as of August 15, 2003. In support of this date, it points to Exhibits E and F of Mr. Jestley's affidavit. Exhibit E is a prospectus dated July 29, 2003. Exhibit F is a confidential information document dated July 2003. During cross-examination, Mr. Jestley explained that when a new fund is launched, investment dealers receive a confidential memorandum. The purpose of the memorandum is to provide the dealers with information that they can use to promote the fund to clients verbally; the dealers cannot distribute the memorandum to clients (this explains why the document also bears the notice, "internal use only do not copy"). The fund in question was also marketed off the initial prospectus (Exhibit E being the final prospectus).

[24] A number of names appear on the materials presented by the Applicant. Exhibit E identifies Middlefield INDEXPLUS Management Limited (a predecessor of Middlefield Fund Management Limited) as the manager as well as the trustee of the Trust (the Trust being a closed-end investment trust known as INDEXPLUS INCOME FUND). The co-advisors to the Trust's portfolio are identified as Middlefield Securities Limited (the Applicant's former name) and Guardian Capital Inc. (subsequently known as Guardian Capital LP). A CIBC World Markets logo appears at the bottom of the first page, but on page 69 CIBC World Markets Inc. is identified as one of many agents who vouch for the reliability of the contents of the prospectus. On cross-examination, Mr. Jestley explained that CIBC World Markets was one of the lead agents who marketed this fund to investors and that dealers sometimes put their own logo at the bottom of a prospectus that is intended for their own investment advisors.

[25] Exhibit F lists the names of these various agents on its first page; on page 2, it identifies Middlefield INDEXPLUS Management Limited as the fund's manager and Guardian Capital Inc. and Middlefield Securities Limited as the fund's co-advisors.

Section 4(2) of the Act states that a trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services. If services are offered to prospective customers in Canada in association with a mark and are available to be performed in Canada, then the mark is in use in Canada in accordance with section 4(2), even if the services have not yet been performed [*Wenward (Canada) v Dynaturf* (1976), 28 CPR (2d) 20 at 25 (TMOB)]. Moreover, in order to evidence use of a service mark, evidence of use in the owner's chain of distribution is sufficient and there is no requirement for the owner to show use of its mark in a sale to the ultimate consumer [*Société Nationale des Chemins de Fer Français SNCF v Venice Simplon-Orient-Express Inc et al* (2000), 9 CPR (4th) 443 (FCTD)].

[26] Sales of the Applicant's services were stated to have generated in excess of \$700,000 in revenue in 2003. During cross-examination, Mr. Jestley said that there are invoices that reflect these sales. However, the Applicant refused to provide a sample invoice on the basis that "there is no requirement that a trade-mark owner provide sample invoices; use of the INDEXPLUS INCOME FUND DESIGN trade-mark has been demonstrated by other means." Although there may be some negative inferences that could be drawn from this refusal, the refusal does not result in the Applicant's evidence being clearly inconsistent with its first use claim, both because there is other evidence of its use as of August 15, 2003 and because an actual sale is not required in order for there to be use in association with services.

[27] I have come to the conclusion that the Applicant's evidence is not clearly inconsistent with its allegation that it was performing the applied for services in association with the Mark as of August 15, 2003. The section 30(b) ground of opposition is therefore dismissed on the basis that the Opponent has not met its initial burden.

[28] Before proceeding, I note that arguments to the effect that the Applicant was not the only entity using the Mark are not relevant under section 30(b); the issue is simply whether the Applicant used the Mark, not whether the Mark is distinctive.

### Section 38(2)(b)/12(1)(b) Ground of Opposition

[29] The Opponent has pleaded that the Mark is clearly descriptive of the services for which it is applied for contrary to section 12(1)(b) of the Act. No further details have been provided in the statement of opposition as to why the Mark is clearly descriptive or as to what it is clearly descriptive of.

[30] The material date for assessing a section 12(1)(b) ground of opposition is the filing date of the application [*Shell Canada Limited v PT Sari Incofood Corporation* (2005), 41 CPR (4th) 250 (FC); *Fiesta Barbeques Limited v General Housewares Corporation* (2003), 28 CPR (4th) 60 (FC)].

[31] At the oral hearing, the Opponent submitted that the Applicant had made an admission against interest during the prosecution of the present application. In particular, it referred to the October 28, 2004 letter filed in response to an office action, which was contained in the copy of the file history provided as Exhibit F to the first Anastacio affidavit. The office action had, among other things, requested that the Applicant disclaim the right to the exclusive use of the word INDEX and asserted that the Mark was confusing with the registered trade-mark INDEXPLUS EQUITY INVESTMENT GUARANTEED CAPITAL Design. In response, the Applicant filed the disclaimer and argued that confusion was not likely in part because the marks when viewed in their totality were visibly and markedly different and created different impressions. In so doing, the Applicant stated, "...the applicant's mark depicting INDEXPLUS ... as a single word places the emphasis on the word INDEX, communicating the impression of '**outperforming the index**'." The Applicant went on to provide Internet search results for the words INDEX and PLUS and submitted that "the words INDEX PLUS, used as two words, are common in the industry", "the Register is replete with trade-marks containing the word INDEX", and "the word PLUS is also somewhat laudatory."

[32] The Opponent did not dwell on the section 12(1)(b) ground in its submissions, other than to submit that the fact that the "admission against interest" occurred 8 months after the material date does not make it irrelevant.

[33] Whether or not the statements in the October 28, 2004 letter are admissible, I am not satisfied that they support a conclusion that the Mark is unregistrable under section 12(1)(b). The Opponent has not explained how the Mark as a whole is clearly descriptive of some character or quality of the Applicant's services and the Applicant has certainly not admitted that the Mark as a whole is clearly descriptive (in its written argument, the Applicant submits that the word PLUS is at most merely suggestive). It is therefore not clear to me that the Opponent has met its initial burden under section 12(1)(b) and I am dismissing such ground on that basis.

Section 38(2)(d)/Distinctiveness Ground of Opposition

[34] The Opponent has pleaded that the Applicant's Mark is not distinctive of it and is incapable of becoming distinctive of it in view of the use and registration by third parties of numerous INDEX, INDEX PLUS, INDICIEL PLUS and INDICES PLUS in combination trade-marks in Canada for the same or similar wares and services. The Opponent states, "The public, upon seeing the Applicant's [M]ark in association with its services, would not consider the Applicant to be the source of the goods and services claimed in its application." In particular, it lists 19 trade-marks, domain names and trade-names that it alleges are presently in use in Canada by third parties and have been used prior to the alleged use date of the Applicant and continuously to date.

[35] The material date for assessing this ground is the filing date of the opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

[36] As stated in *Bojangles' International LLC v Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (FC) at paragraph 34, "A mark must be known to some extent at least to negate the established distinctiveness of another mark, and its reputation in Canada should be substantial, significant or sufficient."

[37] With a view to satisfying its initial evidential burden with respect to this ground, the Opponent has directed me to two exhibits: Exhibits A and F to the first Anastacio affidavit.

[38] Ms. Anastasia is a trade-mark searcher employed by the Opponent's trade-mark agents. Exhibit A is the full particulars of certain trade-mark applications and registrations that she



printed on February 9, 2009. The Opponent submits that these show that two other entities are/were using marks that include INDEX and PLUS. The Opponent is referring to the following three registrations, the first two of which share a common owner:

1. No. TMA540,961 FONDS INDICIEL AMÉRICAIN PLUS ROYAL
2. No. TMA517,206 FONDS INDICIEL CANADIEN PLUS ROYAL
3. No. TMA510,911 INDICES PLUS PLACEMENT BOURSIER CAPITAL GARANTI Design

[39] The mere existence of these three registrations does not serve to satisfy the Opponent's initial burden.

[40] Exhibit F, as noted earlier, is a copy of the file history of the present application. In particular, the Opponent relies on page 4 of the letter dated October 28, 2004 where the Applicant submitted that "the Register is replete with trade-marks containing the word INDEX", provided the Examiner with details of 78 registered marks that include the word INDEX in class 36, and stated that "the word PLUS is also somewhat laudatory" and "The Internet and Register search results ... suggest that the words INDEX and PLUS are relatively weak on their own and consumers can be expected to be aware of the common use of marks containing these words."

[41] In its October 28, 2004 letter, the Applicant was relying on the highlighted submissions to support its position that small differences between marks that include the words INDEX and PLUS would be sufficient to distinguish one from the other. I therefore do not understand how its argument can be seen as an admission that the Mark is not distinctive.

[42] Even if the list of registered trade-marks attached to the October 28, 2004 letter was admissible for the truth of its contents, it still would not satisfy the Opponent's initial burden both because it was prepared four years before the material date and therefore may not reflect the state of the register as of the material date, and because at best it shows that INDEX is commonly adopted as part of trade-marks. The Applicant has disclaimed the right to the exclusive use of the word INDEX apart from the Mark and so the existence of other distinctive marks that include the word INDEX does not assist the Opponent's case.

[43] As the Opponent has not satisfied its initial burden, the distinctiveness ground of opposition is dismissed. I note that at the oral hearing, the Opponent submitted that use of the Mark by unlicensed affiliates of the Applicant also affected the distinctiveness of the Mark, but I will not consider such submission as the pleadings did not make such an assertion in support of the distinctiveness ground.

Disposition

[44] Pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(8) of the Act.

---

Jill W. Bradbury  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office