



LE REGISTRAIRE DES MARQUES DE COMMERCE

THE REGISTRAR OF TRADE-MARKS

Citation: 2010 TMOB 66
Date of Decision: 2010-05-13

**IN THE MATTER OF AN OPPOSITION
by Pivotal Corporation to application No.
1,244,032 for the trade-mark PIVOTAL
PAYMENTS in the name of 4286839
Canada Inc.**

[1] On February 2, 2005, 4218868 Canada Inc. filed an application to register the trade-mark PIVOTAL PAYMENTS (the Mark) based upon proposed use of the Mark in Canada in association with the following services:

electronic payment services provided over a global computer network,
namely provision of payment services to allow merchants to bill
purchasers by credit card, debit card, or cheque for goods and services
sold at the point of sale or over a global network.

[2] On July 28, 2005, an assignment was recorded in favour of 4286839 Canada Inc. (the Applicant).

[3] The application was advertised for opposition purposes in the *Trade-marks Journal* of September 7, 2005. The Applicant has disclaimed the right to the exclusive use of the word PAYMENTS apart from the Mark.

[4] On November 7, 2005, Pivotal Corporation (the Opponent) filed a statement of opposition, which turns largely on the issue of the likelihood of confusion between the Mark and various PIVOTAL marks and names owned by the Opponent. The Applicant filed and served a counter statement in which it denied the Opponent's allegations.

[5] In support of its opposition, the Opponent filed the affidavits of Derrick Anderson and Bobbi-Jo Stonehouse. The Applicant obtained an order for the cross-examination of these two affiants but cross-examinations were not conducted.

[6] In support of its application, the Applicant filed the affidavit of Philip Fayer. The Opponent did not seek to cross-examine Mr. Fayer.

[7] Each party filed a written argument. An oral hearing was not requested.

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[8] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (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 C.P.R. (3d) 293 (F.C.T.D.) at 298].

Summary of Opponent's Evidence

[9] Mr. Anderson is Corporate Paralegal for the Opponent. His evidence is based both on his personal knowledge and a review of the Opponent's business records. (I note that although Mr. Anderson appears to reside or work in Atlanta, Georgia, according to the Opponent's trade-mark registrations, the Opponent is located in Vancouver, British Columbia.)

[10] Mr. Anderson attests that the Opponent is an internationally-recognized leading developer and supplier of customer relationship management software and related services. Mr. Anderson states that the Opponent has customers around the world, including Canada.

[11] Mr. Anderson states, at paragraph 10:

Amongst other areas, [the Opponent] provides products and services for organizations in the financial services and payment processing industries. Attached as Exhibit “E” to my Affidavit are copies of various Pivotal promotional materials for Pivotal’s products that are tailored for the financial services and payment processing industries. As with all the Wares and Services, these products are promoted and sold in Canada in association with the Trade-marks.

[Mr. Anderson defines Wares and Services as “computer software, information services, and technical support services related to computer software” and Trade-marks as “PIVOTAL Design, PIVOTAL PLACE, PIVOTAL RELATIONSHIP and PIVOTAL.”]

[12] I will interject to mention that the Applicant has submitted in its written argument that the materials provided in Exhibit “E” appear to relate only to customers in the financial services industry and that there is no evidence that the materials are directed to payment processing industries. Without addressing what might be meant by the term “payment processing industries”, I agree that Exhibit “E” focuses on customers in financial services industries, e.g. banking and institutional asset management.

[13] In addition to Exhibit “E”, Mr. Anderson provides the following materials that display one or more of the Opponent’s trade-marks:

1. packaging and labelling for CDs – Exhibit “A”;
2. samples of advertising and promotional materials for the Wares and Services which the Opponent “distributes or makes available in Canada” – Exhibit “B”.

[14] From Exhibit “B”, I note that the Opponent’s wares/services “can be tailored to fit the unique requirements of every enterprise” and aim to improve the effectiveness of its customers’ marketing, sales and service. Its software technology includes the capabilities of Internet

commerce and wireless technologies and offers many features, including the handling and sending of orders and invoices.

[15] Mr. Anderson also provides copies of pages from industry publications that are available in Canada that refer to the Opponent. [Exhibit “F”]

[16] Mr. Anderson has not provided any sales figures. He has provided advertising figures but as these relate to North America, the amount attributable to Canada is not known.

[17] Ms. Stonehouse is Post-Sales Operations Manager for the Opponent; she has worked in the Opponent’s Vancouver office for about 8 years. She provides copies of various materials, which she attests the Opponent has used regularly in its business operations in Canada during her period of employment and continues to use. These materials, each of which display PIVOTAL, are: a business card; envelopes; corporate stationery; CD and DVD covers; and packaging stickers. As pointed out by the Applicant, the envelopes and stationery are blank, i.e. they are not copies of any that have been sent to anyone.

Summary of Applicant’s Evidence

[18] Mr. Fayer is the President and CEO of Pivotal Holdings Ltd./Gestion Pivotal Ltée of Montreal. He attests that prior to April 27, 2007 Pivotal Holdings Ltd./Gestion Pivotal Ltée was named 4286839 Canada Inc. Thus it appears that Mr. Fayer is the Applicant’s President, although the corporate change of name does not appear to have been recorded against the present application.

[19] Mr. Fayer is also an officer of two other companies that use the word Pivotal in their names: Pivotal Payments Corporation/Corporation Paiements Pivotal of Montreal; and Pivotal Payments Inc. of Melville, New York.

[20] At paragraph 5, Mr. Fayer states:

Our business is that of an MSP (Merchant Services Provider), that is, a provider of payment processing solutions to merchants. More

specifically, we provide the technology and services that businesses require to accept credit card and direct debit card transactions...

[21] Mr. Fayer provides considerable information concerning activities in the United States. However, Mr. Fayer states that business in the U.S. is conducted through a U.S. company (Pivotal Payments Inc.) and it is not evident that such services emanate from Canada. As a result, the activities in the U.S. are not particularly relevant to the issues at hand.

[22] Regarding Canada, Mr. Fayer states at paragraph 16:

We have been actively marketing our services to prospective Canadian customers since 2007. In June 2007, Pivotal Payments Corporation was registered as an official Visa/Master Card sales organization in Canada. We have signed service contracts with nine Canadian customers to date. These customers include businesses in the retail and restaurant trades.

[23] Mr. Fayer does not provide copies of those service contracts. He does however provide the following materials, all of which display PIVOTAL PAYMENTS:

1. photocopies of pages printed from the websites www.pivotalpayments.com and www.pivotalpayment.ca - Exhibits "B" and "C";
2. examples of business stationery and copies of some "correspondence to Canadian customers" - Exhibit "D";
3. examples of brochures "ready for mailing to merchants throughout Canada" - Exhibit "E";
4. samples of letters providing quotes to prospective customers and a copy of the Merchant Agreement which has been signed with Canadian customers (signed copies not provided because the contents include "sensitive information") - Exhibit "F";
5. sample of a sticker that will be affixed to card processing terminals before they are sent to Canadian customers - Exhibit "H";
6. an envelope used to send invoices to clients - Exhibit "I";
7. photograph of a booth for prospective job seekers at an employment fair in Montreal in March 2008, plus photocopies of job descriptions distributed at that event - Exhibit "J";
8. copy of slide presentation made to prospective customers in Montreal on three dates in 2007 - Exhibit "K";
9. proposal presented to potential customers in Canada in 2008 - Exhibit "L";
10. online employment posts - Exhibit "M";
11. invitation to a charity event in Montreal in 2006 - Exhibit "N".

[24] The materials provided by Mr. Fayer promote the Applicant to businesses as providing “payment processing and merchant account solutions that will ensure their business growth & success.” The Applicant’s services aim at getting “more out of every one of your customers’ credit and charge card transactions” by lowering their processing costs and awarding merchants on their monthly transaction volume. The Applicant’s services support a variety of terminal interfaces including contactless payment options and wireless mobile solutions and, “for merchants expanding their business online, [the Applicant] provides comprehensive, flexible and scalable Internet and mail/order/telephone order credit card processing solutions.”

[25] At paragraph 7, Mr. Fayer has attested, “We have over 120 employees and agents across North America. We now process over \$3.8 billion in sales transactions annually for our customers.” However, he does not indicate how many employees or agents are in Canada or the value of sales transactions processed on behalf of Canadian customers.

Section 12(1)(d) Grounds of Opposition

[26] The Opponent has pleaded that the Mark is not registrable because it is confusing with one or more of the following trade-marks registered by the Opponent:

1. PIVOTAL regn. No. TMA484,583;
2. PIVOTAL Design regn. No. TMA478,310;
3. PIVOTAL PLACE regn. No. TMA475,836;
4. PIVOTAL RELATIONSHIP regn. No. TMA482,119.

[27] The Opponent’s evidence does not show that the registrations upon which it relies are extant. I have therefore exercised the Registrar’s discretion to check the register in order to confirm that they are. [See *Quaker Oats of Canada Ltd./La Compagnie Quaker Oats du Canada Ltée v. Menu Foods Ltd.* (1986), 11 C.P.R. (3d) 410 (T.M.O.B.).]

[28] PIVOTAL and PIVOTAL Design are registered for:

- computer software for sales, marketing, customer service, office administration and communications; and

- technical support services related to computer software for sales, marketing, customer service, office administration and communications.

[29] PIVOTAL PLACE is registered for:

- information services related to sales force automation, customer information management, sales, market analysis, market research, advertising, product demonstration, and customer service provided online.

[30] PIVOTAL RELATIONSHIP is registered for:

- computer software for use in connection with sales, marketing, customer service, accounting, office administration and communications.

[31] I consider the Opponent's strongest case to rest on its PIVOTAL mark. I will therefore focus my analysis on the likelihood of confusion between PIVOTAL and PIVOTAL PAYMENTS.

[32] PIVOTAL was registered on October 24, 1997 by Pivotal Software Inc. based on a declaration of use filed October 10, 1997. A change of title was recorded in 1999 in favour of the Opponent.

[33] The material date for assessing confusion under s. 12(1)(d) is the date of my decision [*Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks*, 37 C.P.R. (3d) 413 (F.C.A.)].

[34] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[35] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; (b) the length of time each has 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 or trade-names in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See, in general, *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.).]

6(5)(a) - the inherent distinctiveness of the trade-marks and the extent to which they have become known

[36] The Applicant submits that the word PIVOTAL is not suggestive of the nature of its services and it appears that the same could be said with respect to the Opponent's wares and services. However, the Applicant agrees that the word PAYMENTS is directly associated with its services. Therefore I consider the mark PIVOTAL to be more inherently distinctive than the mark PIVOTAL PAYMENTS.

[37] Although both parties' marks have been used or promoted in Canada, it is difficult to assess their relative degrees of acquired distinctiveness as neither party has provided Canadian sales or advertising figures.

6(5)(b) - the length of time each has been in use

[38] Section 6(5)(b) favours the Opponent as it claims use of PIVOTAL in Canada since at least as early as March 1996 (Anderson affidavit; paragraph 4), approximately eight years before the present proposed use application was filed and eleven years before the Applicant began actively marketing its services in Canada (Fayer affidavit; paragraph 16) .

6(5)(c) and (d) - the nature of the wares, services, business and trade

[39] It is clear that the parties do not perform the exact same type of services. The Applicant's services relate to payment processing whereas the Opponent's wares and services relate to

customer relationship management. The Applicant has not applied to register its Mark for any wares and it is not evident that the Applicant's services involve the sale of any computer software; however, technology and hardware are clearly important components of the Applicant's services and the Applicant's services utilize the Internet.

[40] Despite the differences in their businesses, the Opponent submits that the parties' targeted clientele overlap. I note that Exhibit "E" to the Fayer affidavit indicates that the following businesses are to be targeted by the Applicant: "small or mid-sized businesses, chain store, franchise, restaurant or dealership", while paragraph 6 of his affidavit indicates that in the U.S., the Applicant has serviced the following industries: retail stores, restaurants, hospitality and lodging establishments, direct marketers, electronic commerce merchants, and mail order/telephone order businesses. I also note that Exhibits "C" and "D" to the Anderson affidavit state that the Opponent has customers in more than 50 industries, including financial services, general, government/public sector, healthcare, healthcare payers, home building and real estate, insurance, manufacturing, medical devices, publishing/media, services, technology/software, telecommunications, utilities/energy, and wholesale and retail distribution industries. While the overlap in the parties' stated clientele may be limited at best, it nevertheless seems logical that a business that uses customer relationship management software might also require payment processing services.

6(5)(e) - the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[41] Although marks are to be considered in their entirety, the first component of a mark is typically considered more important for the purpose of distinction. [*Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.)]

[42] Overall, there is a fair degree of resemblance between the Applicant's Mark and the Opponent's mark in appearance, sound and ideas suggested.

other surrounding circumstances

i) family of trade-marks

[43] The Opponent claims that it has a family of PIVOTAL trade-marks, namely PIVOTAL, PIVOTAL PLACE and PIVOTAL RELATIONSHIP. However, a party seeking to take advantage of the wider scope of protection accorded to a family of trade-marks must first establish use of the trade-marks that comprise the family [*MacDonald's Corporation v. Yogi Yogurt Ltd.* (1982), 66 C.P.R. (2d) 101 (F.C.T.D.)]. The Opponent and its affiants have not directed me to any evidence regarding PIVOTAL PLACE or PIVOTAL RELATIONSHIP. I have noted that PIVOTAL RELATIONSHIP appears in Exhibits "A" and "B" of Mr. Anderson's affidavit but find that the evidence as a whole falls short of establishing a family of marks that would entitle the Opponent to a broader scope of protection.

ii) lack of evidence of confusion

[44] The Applicant points out that the Opponent has not filed any evidence of instances of actual confusion between the parties' marks. It is true that an adverse inference may be drawn concerning the likelihood of confusion when concurrent use on the evidence is extensive and no evidence of confusion has been given by an opponent [see *Christian Dior S.A. v. Dion Neckwear Ltd.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)]. However, the present fact situation does not show extensive concurrent use and so an adverse inference cannot be drawn.

conclusion re s. 12(1)(d)

[45] Having considered all of the surrounding circumstances, I conclude that the Applicant has not met its legal onus because I am unable to find that the absence of a likelihood of confusion between PIVOTAL PAYMENTS and PIVOTAL is more probable than its existence, for the following reasons.

[46] The Applicant has not only taken the Opponent's mark in its entirety, but it employs the Opponent's mark as the first element of its mark, and the first portion of a mark is typically considered the most relevant when determining matters of confusion. In addition, the only feature

that the Applicant has added to the Opponent's mark is the weak, descriptive word "payments"; such an addition does little to distinguish the one mark from the other.

[47] Although the Applicant has submitted that its "evidence clearly shows that its business is unrelated in nature to the activities described in the Opponent's evidence regarding its own business", there are at least two weaknesses with respect to this submission: i) s. 6(2) makes it clear that confusion can be likely even where the wares or services are not of the same general class; and ii) under s. 12(1)(d), it is the statement of wares or services in the parties' trade-mark application or registration that govern [*Henkel Kommanditgesellschaft auf Aktien v. Super Dragon Import Export Inc.* (1986), 12 C.P.R. (3d) 110 (F.C.A.); *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe Inc. v. Bohna* (1994), 58 C.P.R. (3d) 381 (F.C.A.)].

[48] The onus or legal burden is on the Applicant to show no reasonable likelihood of confusion on a balance of probabilities. That means that if the probabilities favour neither side, I must resolve the issue against the Applicant. In view of my conclusions above, and particularly in view of the similarities between the marks and the absence of any evidence of third party use of PIVOTAL marks in the marketplace, notwithstanding the differences in the parties' services, I find that the probabilities are evenly balanced. I must therefore find against the Applicant. If the Applicant had evidenced significant contemporaneous use of the marks at issue without actual confusion or significant use in the marketplace of third party PIVOTAL marks for services directed to businesses, my conclusion might have been different.

[49] For the foregoing reasons, the s. 12(1)(d) ground of opposition is successful.

Section 16 Grounds of Opposition

[50] The Opponent has pleaded that the Applicant is not the person entitled to register the Mark pursuant to s. 16(3)(a) and (c) of the Act because the Mark is confusing with one or more PIVOTAL trade-marks or trade-names previously used or made known in Canada by the Opponent. With respect to this ground of opposition, there is an initial burden on the Opponent

to evidence use or making known of its trade-marks or trade-names prior to the Applicant's filing date. I find that the Opponent has not met this initial burden. Although the Opponent's affiants attest that the Opponent used PIVOTAL in Canada prior to February 2, 2005, there is no evidence that shows use or making known in Canada prior to that date. The s. 16 grounds of opposition are accordingly dismissed.

Non-distinctiveness Ground of Opposition

[51] The Opponent has pleaded that the Mark is not distinctive because it is not capable of distinguishing the Applicant's services from the wares and services provided by the Opponent under one or more of the Opponent's PIVOTAL trade-marks or trade-names. In order to meet its initial burden under this ground, the Opponent must evidence that one or more of its marks/names had a reputation in Canada that was substantial, significant or sufficient to negate the distinctiveness of the Mark. [*Bojangles' International LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.)] The material date for assessing distinctiveness is the date of filing of the opposition, which in this case is November 7, 2005. [*Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)]

[52] The only Canadian evidence from the Opponent that predates November 7, 2005 that I am aware of is a two sentence article from the *Ottawa Citizen* dated March 19, 2005, which mentions that "the City of Gatineau is using customers relations software from Pivotal Corp. of Vancouver" [Anderson affidavit; Exhibit "F"]. I do not consider this sufficient to satisfy the Opponent's initial burden. Accordingly, the distinctiveness ground of opposition is dismissed.

Section 30 Grounds of Opposition

[53] The Opponent has also pleaded grounds of opposition under s. 30(e) and (i) of the Act.

[54] The s. 30(e) ground alleges that the Applicant never intended to use the Mark in Canada in association with all of the services covered by the trade-mark application. As there is no evidence that supports such an allegation, the s. 30(e) ground is dismissed on the basis that the Opponent has not satisfied its initial burden.

[55] The s. 30(i) ground alleges that the Applicant could not have been properly satisfied that it was entitled to use the Mark in Canada, “given the facts set out in this Statement of Opposition.” However, where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant. [*Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155] As there is no evidence of bad faith in the present case, the s. 30(i) ground is also dismissed.

Disposition

[56] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application pursuant to s. 38(8) of the Act.

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