

**IN THE MATTER OF AN
OPPOSITION by Minolta-QMS Inc.
to Application No. 1,059,908 for the
Trade-mark MAGICOLOR filed by
Cheng-Lang Tsai.**

I The Pleadings

On May 19, 2000, Cheng-Lang Tsai (the «Applicant») filed an application, based on proposed use, to register the trade-mark MAGICOLOR (the “Mark”), application number 1059908, in association with electrical wire and cable, namely shielded, unshielded and insulated electric wire, cable and cord (the “Wares”). On November 28, 2001, the application was advertised in the Trade-marks Journal for opposition purposes.

Minolta-QMS Inc. (the “Opponent”) filed on April 29, 2002 a statement of opposition, a copy of which was forwarded, on May 14, 2002, to the Applicant.

The grounds of opposition pleaded are as follows:

- 1) The Applicant is not the person entitled to registration in view of Section 16(3)(a) of the Trade-marks Act (the “Act”) since, at the date of filing of the application, the Mark was confusing with the Opponent’s trade-mark MAGICOLOR which had been previously used in Canada by the Opponent, and continues to be so used, in association with laser printers;
- 2) The Applicant is not the person entitled to registration in view of Section 16(3)(a) of the Act since, at the date of filing of the application, the Mark was confusing with the Opponent’s trade-mark MAGICOLOR which had been previously made known in Canada by the Opponent, and continues to be so made known, in association with laser printers;
- 3) The application does not comply with Section 30(e) of the Act in that the Applicant itself does not intend to use the Mark in association with the Wares. Accordingly, the application should be refused pursuant to Sections 30(e) and 38(2)(a) of the Act;
- 4) The application does not comply with Section 30(i) of the Act in that the Applicant could not have been satisfied that it was entitled to use the Mark in association with the Wares in view of the prior use and making known in Canada

by the Opponent of the mark MAGICOLOR. Accordingly, the application for the Mark should be refused pursuant to the provisions of Sections 30(i) and 38(2)(a) of the Act; and

5) The Applicant's Mark is not distinctive, in that the Mark does not distinguish and is not adapted to distinguish the Applicant's Wares from the wares of the Opponent. Accordingly, the application for the registration of the Mark should be refused pursuant to the provisions of Section 38(2)(d) of the Act.

The Applicant filed on June 14, 2002, a counter statement denying each and every grounds of opposition described above, adding that the first two grounds of opposition should be struck because they are improperly pleaded as the Opponent failed to specify an earlier date of first use in Canada and a earlier date of making known in Canada.

The Opponent did not file evidence-in-chief but filed evidence in reply to the evidence introduced by the Applicant. Only the Opponent submitted written arguments and no oral hearing was held.

II The Applicant's Evidence

The Applicant filed the affidavit of Cheng-Lang Tsai together with exhibits A through G. He describes himself as the President and representative of Hung Hsang Wire MFG Co. Ltd., ("Hung") a company located in Taiwan, Republic of China. He then explains the commercial activities of Hung, which includes the manufacturing and sale of all kinds of wires.

He alleges that Hung has authorized, through himself, another corporate entity, Holiwing Resources Corp, ("Holiwing") a Taiwanese corporation, to promote and sell products under the Mark. He alleges that he maintains control over the character and quality of the products bearing the trademark MAGICOLOR. A catalogue illustrating the various products sold in association with the Mark was filed as exhibit C. The catalogue appears to have been issued by Holiwing as it bears its name and address on the back cover page. It does illustrate various computer cables and wires including "LAN cable", "USB cable" and "mouse wire". These products are available in colour, including glitter colour, individual colour designs and multiple colour compositions. A sample of an extension telephone cord in its packaging bearing the Mark has also been produced in the record.

Exhibit E consists of copies of email messages received by Holiwing from prospective customers from Canada inquiring on the possibility of distributing products bearing the Mark in Canada. He also filed the sender's copy issued on September 12, 2003 by the Republic of China (Taiwan) Post to evidence the mailing of products bearing the Mark to a customer located in Richmond, British Columbia. Finally the affiant provides a list of countries where the Mark is either registered or where an application for its registration is pending.

III The Opponent's "Reply" evidence

The Opponent filed two affidavits of Toshimitsu Taiko, Vice President Marketing of Konica Minolta Printing Solutions U.S.A., Inc., the new corporate name of the Opponent, both dated April 1st, 2004. (I shall refer to the "first affidavit" as the affidavit containing 7 paragraphs and the "second affidavit" the one having 4 paragraphs). He alleges that the Opponent manufactures and sells in many countries, including Canada, a broad range of electronic products. These products include computer printers sold under the trade-mark MAGICOLOR. (Paragraph 3 of the first affidavit)

He explains the nature and use of "LAN cable" where LAN stands for "local area network". A "LAN cable" refers to a cable for connecting a computer or a computer peripheral, such as a printer, to a computer network. He adds that: "Computer industry standards govern various aspect of these type of cables to be used for various computer-related purposes, including the connection of a computer or computer network to a printer". Printers sold in association with the trade-mark MAGICOLOR necessitate the use of USB or "LAN"-type cable to connect such device to a computer or network. (Paragraph 4 of the first affidavit) A bundle of advertisements of the Opponent's printers on which appear the trade-mark MAGICOLOR have been produced to prove the fact that USB-type or LAN-type cables are needed to connect such peripheral equipment to a computer or network. (Paragraph 5 of the first affidavit)

The Opponent has been selling in Canada since at least March 2001 printers bearing the trade-mark MAGICOLOR. The affiant provides the number of units sold in Canada between March 2001 and

March 2004. He has also provided the sales figures in Canada of such products, on a monthly basis, starting in March 2001. (Paragraph 6 of the first affidavit)

Finally, without discussing the relevancy of such evidence at this stage, the affiant alleges that the registrations obtained by the Applicant abroad bear a filing date in the year 2000 while the Opponent has obtained the registration of the trade-mark MAGICOLOR in Mexico and the United States and a Community trade-mark on the basis of applications filed between 1993 and 1996. (Paragraph 7 of the first affidavit)

The affiant, in his second affidavit, alleges that the Opponent advertised its products using different methods including mass mailing, magazine, catalogue, Internet advertisements and television and radio ads. He provides a list of magazines in which such ads would have appeared and states that those magazines circulated in Canada. (Paragraph 2 of the second affidavit) He does not explain however how he is aware that those magazines circulate in Canada. He describes himself as residing in the Mobile County, Alabama, U.S.A. (paragraph 1 of the second affidavit) and as such, without any further evidence, I fail to see how he can attest that the magazines identified in his affidavit circulate in Canada. Finally, the magazines listed in the second affidavit are not sufficiently known so that I can take judicial notice of their circulation in Canada. [See *Northern Telecom Ltd. c. Nortel Communications Inc.*, 14 C.I.P.R. 104, at 107, *Milliken & CO. v. Keystones Industries (1970) Ltd.*, 12 C.P.R. (3d) 166, at 168 and *Carling O’Keefe Breweries of Canada Ltd. v. Anheuser-Busch, Inc.*, 4C.P.R. (3d) 216, at 224]

IV The law

The legal onus is upon the Applicant to show that its application complies with the provisions of Section 30 of the Act, but there is however an initial evidential burden on the Opponent to establish the facts relied upon by it in support of each ground of opposition. Once this initial burden is met, the Applicant still has to prove that the particular grounds of opposition should not prevent the registration of the Mark. [See *Joseph E. Seagram & Sons Ltd. et al 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]

The relevant date for considering the different grounds of opposition will vary from one ground of opposition to another. As for non-compliance to the provisions of Section 30 of the Act, it must be assessed as of the filing date of the application (May 19, 2000). [See *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R. (3d) 469 and *Dic Dac Holdings (Canada) Ltd v. Yao Tsai Co. (1999)*, 1 C.P.R. (4th) 263] The issue of entitlement must be determined as of the date of filing of the application when such application is based on proposed use. [See Section 16(3) of the Act] Finally, it is generally accepted that the issue of distinctiveness of the applied mark will be decided as of the filing date of the statement of opposition (April 29, 2002). [See *Metro-Goldwyn-Meyer Inc v. Stargate Connections Inc (2004)*, 34 C.P.R. (4th) 317 (F.C.T.D.)]

V Preliminary issue

The Opponent was granted a first extension of time until January 14, 2003 to file its evidence. At the expiry date, it did request a further extension of time without the Applicant's consent. The Applicant's agent advised the Registrar by letter dated January 31, 2003, that it objected to such request. By letter dated February 26, 2003 the Registrar granted to the Opponent a three weeks extension of time to file its evidence and stated that it was a final extension of time. The Opponent's agent wrote a letter dated March 19, 2003 asking for a further extension of time of one month to file its evidence without the Applicant's consent. The letter does contain the following statement: "However, in the alternative and without prejudice to this request, the opponent advises that it is not submitting evidence in support of the present application". By letter dated April 10, 2003, not surprisingly, the Applicant's agent informed the Registrar that it had not consented to the Opponent's last request and took the position that the Applicant's evidence had to be filed by April 19, 2003 and as such made a request of its own to obtain a six month extension of time to file its evidence. Finally, the Registrar issued a notice dated June 10, 2003 granting the Applicant's request for an extension of time. It is clear that the Registrar did not grant the Opponent's request for an extension of time filed on March 19, 2003 in view of its decision of February 26, 2003, and considered the statement made by the Opponent's agent in its aforesaid letter as a notice in conformity with the provisions of Section 38(7.1) of the Act in order to avoid that the opposition be deemed withdrawn.

In order to be treated as proper reply evidence, rule 43(a) of the Trade-marks Regulations stipulates that it must be confined to matters raised in the Applicant's evidence. [See *Coca-Cola Ltd. v. Compagnie Française De Commerce International Cofci, S.A. (1991)*, 35 C.P.R. (3d) 406 (T.M.O.B.)] The Opponent cannot use the possibility of filing reply evidence to introduce facts that should have been part of its evidence-in-chief, such as in this case the alleged date of its first use of the trade-mark MAGICOLOR in association with laser printers and the date it would have been first made known in Canada. It appears from a review of the reply evidence filed by the Opponent that it tried to cure the major deficiencies caused by its failure to file evidence necessary to meet its initial onus with respect to grounds 1, 2, 4, and 5 described above. In order to be successful under those grounds, the Opponent had to establish prior use of its trade-mark MAGICOLOR or that it was made known in Canada prior to the filing date of the application or at the latest as of the filing date of its statement of opposition for the distinctiveness issue.

I rule that the following material does not constitute proper reply evidence:

- Paragraph 3 of the first affidavit;
- Portion of paragraph 4 of the first affidavit starting at “ In particular...” until the end of such paragraph;
- Paragraphs 5 and 6 of the first affidavit;
- Paragraphs 2 to 4 inclusive of the second affidavit.

V Analysis of the various grounds of opposition

In view of my ruling on the admissibility of the Opponent's reply evidence as detailed hereinabove, I conclude that the Opponent failed to discharge its initial onus with respect to grounds of opposition 1, 2, 4, and 5 described above.

As for the third ground of opposition, the Opponent argues that the evidence establishes that the Applicant has not and does not intend to use the Mark in association with the Wares. The Opponent submits that the Applicant's own evidence establishes that the Wares bearing the Mark are manufactured and sold by Hung and not by the Applicant.

In order to dispose of this argument I must refer to paragraph 3 of the application that reads: “ The applicant by itself or through a licensee...” (my underlines). The fact that a third party is manufacturing the Wares bearing the Mark is not in itself sufficient to establish that at the date of filing of the application the Applicant did not intend to use the Mark in Canada in association with the Mark. Moreover, in *TGI Friday’s of Minnesota Inc. v. Registrar of Trade-marks, F.C.A., April 22, 1999, A-189-81 [reported 241 N.R. 362]*, the Federal Court of Appeal made an inference that because the evidence showed that the owner of a trade-mark was also the president and major shareholder of the company using the mark in issue, such use was made under an oral licence or under an agreement that was tantamount to an oral licence, and the mark remained under the direct or indirect control of the owner of such trade-mark. Therefore I also dismiss the third ground of opposition.

In the event that I am wrong on the issue of the admissibility of portions of the first affidavit and the second affidavit filed by the Opponent as reply evidence, I will now review grounds of opposition 1, 2, 4, and 5 in light of such evidence.

The fourth ground of opposition is improperly pleaded as the Opponent failed to allege that the use of the Mark by the Applicant in association with the Wares would be confusing with its trade-mark MAGICOLOR. Moreover even if the Applicant was aware of the Opponent’s use of the trade-mark MAGICOLOR, that fact alone would not have precluded him from truthfully making the statement, in his application, required by subsection 30(i) of the Act. Therefore, I would have dismissed it in any event.

In order to be successful under the first ground of opposition, the Opponent had to establish use of the trade-mark MAGICOLOR in Canada in association with laser printers prior to the filing date of the application (May 19, 2000), and prove that it had not abandoned such use at the date of advertisement of the application (November 28, 2001). The evidence filed by the Opponent does not establish such prior use. In paragraph 6 of the first affidavit, the affiant states:

“... Exhibit 6 to this my affidavit is a list of Konika Magicolor printer sales to Canada, listed by model number of “Magicolor” computer printers, for the period March 2001 through March 2004.” (My underlines)

There is no evidence of use, as defined in Section 4(1) of the Act, of the trade-mark MAGICOLOR in association with laser printers by the Opponent in Canada prior to May 19, 2000. Therefore, notwithstanding my ruling on the admissibility of such evidence, I would have also dismissed this ground of opposition.

With respect to the second ground of opposition, based on Section 16(3)(a), likewise to the first ground of opposition, the Opponent had to prove that its trade-mark MAGICOLOR was known in Canada prior to the filing date of the application and it had not abandoned such mark at the date of advertisement of the present application. The only evidence that predates the filing date of the application is Exhibit G to the first affidavit, which is an in-house printout of a list of trade-marks registered abroad. This document does not establish the registration of the trade-mark MAGICOLOR in the countries listed therein at the various dates mentioned. Even if I was to accept such document as evidence of these registrations abroad, it does not show that the mark was made known in Canada at any date, including prior to the filing date of the present application. I would have therefore dismissed the second ground of opposition, regardless of my ruling on the admissibility of the Opponent’s reply evidence.

There remains the fifth ground of opposition (distinctiveness of the Mark). The ground of opposition as drafted might be considered as insufficiently pleaded (Section 38(3) of the Act). However, the Federal Court of Appeal in *Novopharm Ltd v. AstraZeneca AB et al*, 21 C.P.R. (4th) 289 has determined that such deficiency can be cured at the evidence stage if not argued by the Applicant at the filing stage of the statement of opposition. If I had accepted the Opponent’s evidence as proper reply evidence, it would have established that the Opponent was relying on the fact that the Applicant’s Mark is not distinctive because it would be confusing with the Opponent’s trade-mark MAGICOLOR previously used in Canada in association with laser printers.

Had the evidence filed by the Opponent been admissible evidence, it would have established the use of the trade-mark MAGICOLOR in Canada in association with laser printers since at least April 2001.

Exhibit 7 to the first affidavit is a summary of the Opponent's sales of these wares on a monthly basis. It shows that the Opponent has sold, between April 2001 and May 2002, approximately 1500 laser printers in Canada in association with the trade-mark MAGICOLOR. The Opponent would have met its initial onus of establishing that its mark was sufficiently known in Canada at the relevant date. Consequently, the burden of proof would have shifted on the Applicant to show, on a balance of probabilities, that the Mark actually distinguishes the Wares from the wares of the Opponent or is adapted to do so.[See *Muffin Houses Incorporated v. The Muffin House Bakery Ltd. (1985) 4 C.P.R. (3d) 272*]. It becomes an issue of likelihood of confusion between the Mark and the Opponent's trade-mark MAGICOLOR.

The test for confusion is one of first impression and imperfect recollection. It is set out in Section 6(2) of the Act. Section 6(5) enumerates certain factors to be taken into consideration by the Registrar such as: the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; the length of time the trade-marks or trade-names have been in use; the nature of the wares, services, or business; the nature of the trade; and the degree of resemblance between the trade-marks or trade-names in appearance, or sound or in the ideas suggested by them. It has been established that they are not exhaustive and it is not required to give each one of them equal weight [See *Clorox Co. v. Sears Canada Inc. (1992), 41 C.P.R. (3d) 483 (F.C.T.D.)* and *Gainers Inc. v. Marchildon (1996), 66 C.P.R.(3d) 308 (F.C.T.D.)*].

The Mark is an invented word and has some degree of inherent distinctiveness when used in association with the Wares. The trade-mark MAGICOLOR has the same degree of inherent distinctiveness. The Opponent has been on the Canadian market with its laser printers for a longer period of time than the Applicant with its Wares. The evidence shows that there is a potential overlap in the nature of the trade as the USB and LAN cables are accessories used to connect a computer to the Opponent's laser printers. Finally, because the Mark is identical to the Opponent's trade-mark, the nature of the wares and their channels of trade become more important factors than the others.

Had the evidence been introduced properly, I would have come to the conclusion that the Applicant did not meet its burden to prove, on a balance of probabilities, that the Mark was distinctive at the date

of filing of the statement of opposition, in view of the likelihood of confusion between the Mark and the Opponent's trade-mark MAGICOLOR, when used in association with the Wares.

VI Conclusion

In view of my earlier conclusion on the admissibility of the evidence filed by the Opponent and its failure to meet its initial onus with respect to the grounds of opposition raised, and having been delegated authority by the Registrar of Trade-marks by virtue of Section 63(3) of the Act, I dismiss the opposition filed by the Opponent against the Applicant's application for the registration of the Mark, the whole pursuant to Subsection 38(8) of the Act.

DATED, IN BOUCHERVILLE, QUEBEC, THIS 7th DAY OF SEPTEMBER 2005.

Jean Carrière,

Member of the Trade-marks Opposition Board