

**IN THE MATTER OF AN OPPOSITION by
Groupe Nexio Inc. to Application
No. 1127154 for the trade-mark NEXIO &
Design filed by Samsung Electronics Co.
Ltd.**

I The Proceedings

On January 7, 2002 Samsung Electronics Co. Ltd. (the “Applicant”) filed an application to register the trade-mark NEXIO & Design as illustrated hereinafter:


(the “Mark”)

based on proposed use in Canada in association with personal digital assistants, having a mobile telephone function (the “Wares”). It was advertised on February 11, 2004 in the *Trade-marks Journal*.

Groupe Nexio Inc. (the “Opponent”) filed on May 24, 2004 a statement of opposition which was forwarded on September 14, 2004 by the Registrar to the Applicant. In a counter statement filed on October 27, 2004 the Applicant denied all grounds of opposition.

The Opponent filed the affidavit of Mr. François Dansereau as its evidence while the Applicant filed the affidavits of Yoon-Yeong Yang and Elenita Anastacio. The Opponent requested and was granted a retroactive extension of time to file the affidavit of Mr. Martial Rivard, which is identical to Mr. Dansereau’s affidavit. For the purpose of this decision I shall refer only to Mr. Rivard’s affidavit being the Opponent’s president, except where stipulated otherwise. None of the deponents were cross-examined.

Both parties filed written arguments and an oral hearing was held during which both parties made representations.

II The Grounds of Opposition

The statement of opposition raises the following issues:

1. The Application does not comply with the requirements of s. 30(i) of the *Trade-marks Act*, 1985 R.C.S. c. T-13, (the “Act”) as the Applicant could not make the statement required under s. 30(i) as it could not be convinced that it was entitled to use the Mark in Canada in association with the Wares as at the filing date of the application the Applicant was aware of the use of the Opponent’s trade-mark;
2. The Application does not comply with the requirements of s. 30(e) as the Applicant did not have the intention to use the Mark in Canada in association with the Wares;
3. The Mark is not registrable pursuant to the provisions of s. 38(2)(b) and 12(1)(d) of the Act in that the Mark is confusing with the Opponent’s registered trade-mark NEXIO, certificate of registration TMA610749;
4. The Applicant is not the person entitled to registration of the Mark pursuant to the provisions of s. 38(2)(c) and 16(3)(a) and (c) of the Act as the Mark is confusing with the trade-mark and trade-name NEXIO previously used in Canada by the Opponent;
5. Pursuant to s. 38(2)(d) and s. 2 of the Act, the Applicant’s Mark is not distinctive, as it is confusing with the Opponent’s trade-mark mentioned above well-known in Canada as well as with the Opponent’s trade-name mentioned above.

III General Principles Applicable to Opposition Procedure

The legal burden is upon the Applicant to show that its application complies with the provisions of the Act, but there is however an initial evidential onus 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. Once this initial onus is met, the Applicant still has to prove, on a balance of probabilities, 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; *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R. (3d) 293 and *Wrangler Apparel Corp. v. The Timberland Company*, [2005] F.C. 722].

The relevant dates for the analysis of the grounds of opposition raised are:

- Compliance to the requirements enumerated under s. 30 (e) and (i) of the Act: the filing date of the application (January 7, 2002) [see *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R. (3d) 293 and *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R. (3d) 469];
- Registrability of the Mark under s. 12(1)(d) of the Act: the date of the Registrar's decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 424 (F.C.A.)];
- Distinctiveness of the Mark: the filing date of the statement of opposition is generally accepted as the relevant date (May 24, 2004) [see *Andres Wines Ltd. and E & J Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)];
- Entitlement to the registration of the Mark where the application is based on proposed use: the filing date of the application (January 7, 2002) [see s. 16(3) of the Act].

IV Compliance to the Requirements of s. 30 (e) and (i) of the Act

I have reviewed the evidence filed by both parties, some of which will be described in more detail hereinafter, and none of it supports the first two grounds of opposition. Assuming that the first ground of opposition is properly pleaded, there is no evidence of the Applicant's knowledge of the Opponent's trade-mark. Even if the Applicant had knowledge of the Opponent's trade-mark NEXIO, it did not prevent it from making the required statement that it was entitled to use the Mark in Canada in association with the Wares.

With respect to the second ground of opposition, there is no evidence to support the Opponent's contention that the Applicant did not intend to use the Mark in Canada. The Opponent has not met its initial onus.

Consequently the first two grounds of opposition described above are dismissed.

V Registrability of the Mark

The test to determine if there exists a likelihood of confusion between the Mark and the Opponent's registered trade-mark NEXIO is described in s. 6(2) of the Act and I must take into consideration all the relevant surrounding circumstances, including those listed in s. 6(5): 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 any ideas suggested by them. Those criteria are not exhaustive and it is not necessary 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 Supreme Court of Canada through Mr. Justice Binnie in *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 described the test of confusion as follows:

What, then, is the perspective from which the likelihood of a “mistaken inference” is to be measured? It is not that of the careful and diligent purchaser. Nor, on the other hand, is it the “moron in a hurry” so beloved by elements of the passing-off bar: *Morning Star Co-Operative Society Ltd. v. Express Newspapers Ltd.*, [1979] F.S.R. 113 (Ch. D.), at p. 117. It is rather a mythical consumer who stands somewhere in between, dubbed in a 1927 Ontario decision of Meredith C.J. as the “ordinary hurried purchasers”: *Klotz v. Corson* (1927), 33 O.W.N. 12 (Sup. Ct.), at p. 13. See also *Barsalou v. Darling* (1882), 9 S.C.R. 677, at p. 693. In *Delisle Foods Ltd. v. Anna Beth Holdings Ltd.* (1992), 45 C.P.R. (3d) 535 (T.M.O.B.), the Registrar stated at p. 538:

When assessing the issue of confusion, the trade marks at issue must be considered from the point of view of the average hurried consumer having an imperfect recollection of the opponent's mark who might encounter the trade mark of the applicant in association with the applicant's wares in the market-place.

I shall now review the pertinent evidence and assess the relevant criteria to determine if there is, on a balance of probabilities, a likelihood of confusion between the Mark, when used in association with the Wares, and the Opponent's registered trade-mark NEXIO as the Opponent

satisfied its initial onus by filing as Exhibit P-3 to Mr. Rivard's affidavit a copy of the certificate of registration TMA610749 for the trade-mark NEXIO registered in association with:

consulting services in the field of telecommunications; integration and implementation of solutions, namely technological analysis of products/services available to meet a specific need, optimization of telecommunication networks (capability and performance), analysis of detailed architecture, integration and implementation of solutions, master plan for telecommunications, optimization of technological investments, strategic recommendations regarding appropriate uses of technologies, support for tendering processes, analysis of cost-effectiveness, development of project plans for putting in place solutions and improvement of processes according to ITIL methodology.

Consulting services for the development of analytical applications, namely management of data warehouse projects, leading warehouse data project teams, identification of information requirements, identification of business sector, scoping, system evaluation, modelling departmental data warehouses (data input), integration of meta-data, administration of databases, consulting services in database technology (RDBMS, multidimensional databases, parallel relational databases), optimization of databases and querying processes, database partitioning, development of database maintenance strategies (reorganization, saving and restoring), development with specific ETC tools, development of customized applications, development of strategy for launching production and support; and

Cutting-edge consultancy in the field of automated testing for Web-type and R.R.P. applications, namely consulting services for automated testing tool installation, use and training, comprising all phases of a business plan, such as project management, strategy, training, production and implementation of automated test procedures, implementation and consultancy.

(hereinafter referred to as the "Services")

The parties' marks are inherently distinctive as the term "nexio" is a coined word. Mr. Rivard explains that the trade-mark NEXIO was created by the combination of the prefix NEX, which is the first part of the English word "next", and the letters "io" which stand for INPUT-OUTPUT. The Applicant tried to argue the contrary. To support its contention, the Applicant refers to the Yang affidavit wherein a photocopy of an extract of a Latin-Korean dictionary was annexed. Mr. Yang is the Applicant's manager. In paragraph 8 of his affidavit, Mr. Yang states that according to such dictionary the word NEXIO means "connection" in Latin. There is a problem with this evidence. Mr. Yang has not attested that he is an official translator from the Korean to English language. I have no evidence that the Korean characters beside the Latin word "néxio" correspond to the English word "connection". Finally I note that there is an accent on the letter "e" and there is no evidence that in the Latin language the words "nexio" and "néxio" are one

and the same. One would have expected the filing of excerpts of a Latin-French or Latin-English dictionary to support the Applicant's contention.

The distinctiveness of a trade-mark can be enhanced through its use. Therefore I shall summarize the relevant evidence filed by both parties on the use of their respective trade-marks.

As for evidence of use of the Mark by the Applicant in Canada there is none. However the Yang affidavit contains allegations of use of the Mark in Korea. There are also excerpts of two websites where the Wares could be purchased online. Firstly, those web pages are written in a foreign language with no translation in the English or French languages provided. Moreover there is no evidence that Canadians ever purchased the Wares bearing the Mark or even consulted those pages. Therefore I conclude that the Mark is not known in Canada in association with the Wares.

Mr. Rivard states that the Opponent was incorporated on February 8, 1999. To illustrate the use of the trade-mark NEXIO in association with the Services described above he filed samples of letterhead, business cards, invoices (the oldest one going back to March 1st, 1999), brochures, press releases and articles in newspapers and magazines (exhibit P-4). He provides the total sales figures for the Services and different wares bearing the trade-mark NEXIO for the years ending 2003, 2004 and 2005 varying from \$3.8 million to \$6.3 million.

The Applicant has raised several issues in its written argument and during the oral hearing with respect to the Opponent's evidence that are worth discussing. In so far as the invoices are concerned, there is no description of the services performed on the invoices themselves. The invoices filed only refer to "for professional services rendered by..." According to the Applicant such inscription does not provide any description of the services provided and as such could not constitute "use" of the Opponent's trade-mark. To support its contention, the Applicant refers to the decision in *Registrar of Trade-marks v. Colwell* (1993), 48 C.P.R. (3d) 105 (T.M.O.B.). This decision is distinguishable from our situation. First, the decision was rendered in the context of a procedure under s. 45 of the Act. Most importantly, in our case the Opponent has filed numerous documents describing the services provided. One must look at the evidence as a whole. The

invoices filed do show that services were performed in association with the trade-mark NEXIO that clearly appears on each of the invoices filed. Moreover a detailed description of the services performed by the Opponent in association with the trade-mark NEXIO has been provided in Mr. Rivard's affidavit and exhibits. Finally it becomes obvious that each of the invoices having the quote mentioned above is for services rendered as opposed for the sale of wares. The Services were clearly described in paragraph 5 of Mr. Rivard's affidavit. The combination of letterhead, business cards, invoices, all bearing the trade-mark NEXIO together with the description of the Services in paragraph 5 of Mr. Rivard's affidavit lead me to conclude that Services were performed by the Opponent in association with the trade-mark NEXIO during the relevant period.

The Applicant also cited the Registrar's decision in *Stikeman & Elliot v. Living Realty Inc.* (2000), 10 C.P.R. (4th) 410. That case is easily distinguished from our case because the deponent in that decision did not made any allegation of use of the trade-mark, the subject of a s. 45 proceeding, in association with the services covered by the registration. He simply filed blank letterhead and business cards. Taken as a whole, the Registrar concluded that such evidence could not constitute proper evidence of use of a trade-mark in association with services within the meaning of s. 4(2) of the Act.

I acknowledge that some of the documentation filed bears a date subsequent to the filing date. They may not be pertinent with respect to the assessment of the entitlement to the registration of the Mark ground of opposition but they are within the relevant date in so far as registrability under s. 12(1)(d) is concerned.

The Applicant also raises the fact that some of the documentation filed in support of Mr. Rivard's affidavit to show use of the Opponent's trade-mark NEXIO do not emanate from the Opponent but from a different entity: Nexio Technologies Inc. The Opponent referred to exhibit P-7 to Mr. Rivard's affidavit during the oral hearing to show that such entity and the Opponent are one and the same. Exhibit P-7 is an extract of the CIDREQ index that contains the names of businesses carrying on business in the Province of Quebec. The Opponent drew my attention to the fact that the addresses under both names (the Opponent and Nexio Technologies Inc.) are the

same. The fact that the addresses are the same does not imply that it is the same entity. It could well be two different companies but located at the same address. However this opposition procedure is not the appropriate forum to determine the validity of the Opponent's trade-mark NEXIO. I shall assume in the absence of evidence to the contrary that Nexio Technologies Inc. is a separate and different entity than the Opponent and I shall disregard any evidence that would appear to emanate from such entity.

The Applicant argues that some invoices were issued to customers having places of business in the United States as appears from the addresses appearing on the invoices. Even assuming that those invoices do not constitute proper evidence of use of the trade-mark NEXIO in Canada there are still invoices issued to Canadian customers and there are brochures filed bearing the trade-mark NEXIO and describing the services offered by the Opponent in association with such mark. This clearly constitutes proper evidence of use of a trade-mark in association with the Services within the meaning of s. 4(2) of the Act.

The Applicant points out that invoices bear different addresses for the Opponent. There are only two invoices with a different address and they are dated in 2005 while all other invoices predate that year. One can only assume that the Opponent moved to a new location in 2005. If the Applicant wanted to clarify such situation it had the opportunity to do so by cross-examining the deponent, which it did not.

Finally the Applicant contends that the sample articles in magazines and newspapers do not constitute proper evidence of use of the Opponent's trade-mark or trade-name. It may well be but such evidence does serve to establish that the trade-mark or trade-name was known to some extent in Canada.

From the evidence filed by the parties I conclude that the Opponent's trade-mark NEXIO was in use in Canada in association with the services enumerated above since at least March 1st, 1999, as per invoice 9902-01 filed as part of exhibit P-4.3 to Mr. Rivard's affidavit. Therefore the first criterion favours the Opponent.

I also conclude that the Opponent's trade-mark NEXIO has been in use in Canada since March 1999 while the Mark has not been used by the Applicant in Canada. The second factor also favours the Opponent.

The script used as the design feature of the Mark is not sufficient to distinguish it from the Opponent's trade-mark NEXIO; the marks resemble each other to a very high degree visually, aurally and in idea suggested.

As the marks are identical phonetically, the key issue is whether there exists a connection between the Wares and the services covered by certificate of registration TMA610749 provided by the Opponent.

The Applicant in its written argument alleges that the Wares are disposable items to be purchased by individual consumers for their personal work-related needs in technology stores such as Future Shop and Best Buy. We have no evidence to support such contention. There is no allegation to that effect in the Yang affidavit. The text of extracts of web pages might furnish some explanation as to the purpose of the devices illustrated therein but all that information is written in a foreign language with no translation provided.

The Applicant is arguing that the Opponent's services are offered to large and very large corporations that need to update their technology infrastructure or applications. Moreover, the costs of those services are very expensive. For all these reasons the Opponent's potential customers for the Services will be sophisticated and cautious in their decision process.

The Supreme Court of Canada in *Mattel Inc. vs. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 commented on the Federal Court of Appeal decision in *United Artists Pictures Inc. v. Pink Panther Beauty Corp.* (1998), 80 C.P.R. (3d) 247 in the following terms:

I believe Linden J.A. misspoke to the extent he suggested that, for confusion to occur, there must be "some resemblance or linkage to the wares in question", i.e. to the wares for which registration of a trade-mark is sought. Resemblance is clearly not a requirement under s. 6. On the contrary, the point of the legislative addition of the words "whether or not the wares or services are of the same general class" conveyed Parliament's intent that not only need there be no "resemblance" to the specific wares

or services, but the wares or services marketed by the opponent under its mark and the wares or services marketed by the applicant under its applied-for mark need not even be of the same general class.

It is obvious from the description of the Wares and the Opponent's services hereinabove listed that they are not the same. However does there exist a link such that a consumer having a vague recollection of the Opponent's trade-mark seeing the Wares bearing the Mark would think they originate from the same source? It is the Applicant's burden to convince the Registrar otherwise.

In the absence of evidence on the channels of trade to be used by the Applicant for the Wares, I am unable to tip the balance in favour of the Applicant. The certificate of registration TMA610749 does contain the following services:

“services in the field of telecommunications... optimization of telecommunication networks... master plan for telecommunications...”

I can foresee a possible overlap between the Wares, in the absence of evidence of the Applicant's channels of trade to be used by it for the sale of its Wares, and the Opponent's Services. As such this factor does favour the Opponent.

As additional surrounding circumstances, the Applicant submitted two additional arguments: absence of instances of confusion and state of the register. As for the absence of instances of confusion, one would expect such situation where there has been no use of the Mark in Canada.

Ms. Anastacio is a trade-mark searcher with the Applicant's agents of record. She conducted a search on the CDName database for trade-marks containing the terms NEX, NEXI and NEXIO. She filed the results of such search as well as translation in the English language of some of the applications appearing on the extracts filed with her report. In its written argument the Applicant submitted that there are five (5) trade-marks with either the prefix or suffix NEX all in the filed of information technology. There is no evidence of use in Canada of any of these trade-marks. Such number of relevant citations is not sufficient to infer from the state of the register that there is common use in the marketplace of trade-marks having such component and that consequently the Canadian consumer would be accustomed to distinguish between them [see *Scott Paper Co.*

V. Wyant & Co. (1995), 61 C.P.R. (3d) 546, *Welch Foods Inc. v. Del Monte Corp.* (1992), 44 C.P.R. (3d) 205 and *T. Eaton Co. v. Viking GmbH& Co.* (1998), 86 C.P.R. (3d) 382].

I conclude that the Applicant has failed to meet its evidential burden to prove that, on a balance of probabilities, there is no likelihood of confusion between the Mark when used in association with the Wares and the Opponent's trade-mark NEXIO used in association with the Services. I maintain the third ground of opposition.

VI Entitlement

I must assess the likelihood of confusion between the Mark and the Opponent's trade-mark and trade-name as of January 2, 2002. The Opponent argued in its written argument that there is a likelihood of confusion between the Opponent's trade-mark NEXIO used in association with wares and the Mark. However there is no evidence of use, as defined in s. 4(1) of the Act, of the Opponent's trade-mark NEXIO in association with wares. There is no evidence that the trade-mark NEXIO was apposed on the wares listed in paragraph 5 of Mr. Rivard's affidavit or their packaging. Therefore I have to determine if there is evidence of prior use of the Opponent's trade-mark or trade-name NEXIO in association with the Services prior to the relevant date and that the Opponent had not abandoned such use at the advertisement date of the present application (February 11, 2004).

The invoices filed as Exhibits 4.3 and 4.14 go back to March 1st, 1999 and combined with the allegations of Mr. Rivard and other documentation filed and described above they do establish prior use with respect to services of the Opponent's trade-mark and trade-name NEXIO since it appears clearly on the top portion of the invoice and in the bottom portion as well. There is also evidence that the Opponent had not abandoned the use of such trade-mark and trade-name at the advertisement date of this application. Therefore, for the same reasons outlined under my analysis of the ground of opposition under s. 12(1)(d), I maintain the fourth ground of opposition.

VII Distinctiveness

Having been successful under two separate grounds of opposition, it is not necessary to determine if the Opponent's last ground of opposition is sufficiently pleaded and well founded.

VIII Conclusion

Having been delegated authority by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I refuse, pursuant to s. 38(8) of the Act, the Applicant's application for the registration of the Mark.

DATED, IN BOUCHERVILLE, QUEBEC, THIS 30th DAY OF JUNE 2008.

Jean Carrière,
Member, Trade-marks Opposition Board