

**IN THE MATTER OF AN OPPOSITION by  
Conspec Controls Limited to application no.  
1212019 for the trade-mark ONSPEC filed by  
Platinum Energy Services Corp.**

On April 5, 2004, Platinum Energy Services Corp. ("Platinum Energy") filed an application to register the trade-mark ONSPEC based on proposed use in Canada in association with the wares

hydrogen sulfide analyzers; gas igniter control systems  
for use in the oil and gas industry.

The Examination Section of the Trade-marks Office objected to the subject application on the basis that the applied for mark ONSPEC was confusing with trade-mark registration no. 252878 for CONSPEC covering various wares and services relating to monitoring and control systems and environmental gas sensors. The applicant responded by arguing, among other things, that the parties' wares are substantially different and that the marks do not resemble each other because they suggest different ideas. The Examination Section accepted the applicant's submissions and the applied for mark was advertised for opposition purposes in the *Trade-marks Journal* issue dated January 19, 2005.

The subject application was opposed by Conspec Controls Limited, the owner of the above mentioned mark CONSPEC, on April 20, 2005. A copy of the statement of opposition was forwarded by the Registrar of Trade-marks to the applicant on April 28, 2005, as required by

Section 38(5) of the *Trade-marks Act*. The applicant responded by filing and serving a counter statement.

The opponent's evidence consists of the affidavit of Robert Tancredi, Operations Manager for the opponent company. The applicant's evidence consists of the statutory declaration of Robert McNutt, Vice President of Platinum Controls Technologies Corp. ("Platinum Controls"), a subsidiary of the applicant Platinum Energy. The opponent submitted a second affidavit of Mr. Tancredi as reply evidence. Both parties submitted a written argument, however, only the applicant attended at an oral hearing.

#### STATEMENT OF OPPOSITION

The first ground of opposition, pursuant to Section 30(i) of the *Trade-marks Act*, alleges that the applicant could not have been satisfied that it was entitled to use the applied for mark in view of the prior use and registration in Canada of the mark CONSPEC by the opponent.

The second ground, pursuant to Section 12(1)(d) of the *Act*, alleges that the mark ONSPEC is not registrable because it is confusing with the opponent's mark CONSPEC registration no. 252878 covering the following:

wares

monitoring and control systems for electric and electronic systems; custom built electrical and electronic control panels; electronic and electrical security systems; microprocessors; software for use with the beforementioned wares,

environmental gas sensors and monitors and general environmental sensors and monitors,

underground radio communications equipment and accessories for use therewith,

helmet lamps and flexible conveyor belt couplings,

services  
designing electric and electronic control and monitoring systems for others;

providing electric and electronic security systems for others; providing software and hardware for use with the beforementioned services.

The third and fourth grounds, pursuant to Section 16, allege that the applicant is not entitled to register the applied for mark ONSPEC because, at the time of filing the application, the mark ONSPEC was confusing with the opponent's mark CONSPEC, and with the opponent's trade-name Conspec Controls Limited, both previously used or made known in Canada by the opponent.

The fifth ground, pursuant to Section 2, alleges that the applied for mark ONSPEC does not distinguish the applicant's wares from the opponent's wares sold under the mark CONSPEC.

#### OPPONENT'S EVIDENCE

Mr. Tancredi's evidence in chief, as it relates to the opponent's activities in Canada, may be summarized as follows. The opponent has since 1980 been selling in Canada various gas detectors and other atmospheric monitoring equipment for industries such as mining, power utilities, water-waste treatment, oil, semiconductor, chemical, petroleum and pulp. Gas detectors sold under the mark CONSPEC monitor gases such as methane, carbon monoxide, carbon dioxide, oxygen, hydrogen, ammonia, sulphur dioxide and others. The opponent also sells control

instrumentation, control systems and underground radio communications systems under the mark

CONSPEC. Sales in Canada under the mark CONSPEC exceeded \$1.68 million in 2005 while advertising for the mark exceeded \$7,800. Excerpts from Exhibit H attached to Mr. Tancredi's affidavit, shown below, explain the opponent's business further:

Con spec Controls is recognized internationally for its expertise in the design, development and manufacturing of gas detection Instruments, monitoring and control systems and underground radio communication equipment and systems. Conspec offers a complete range of products, whether as part of a complete system or stand-alone independent devices. Moreover, their user-friendly products can coexist and interface with existing control equipment. Their facilities are strategically located in the USA, Canada, Australia and China.

Conspec's origins are rooted in the mining industry; a field that they continue to enjoy a healthy market share in the United States, Canada, Australia, China and Turkey. Nevertheless, over the past fifteen years, Conspec has been expanding its market to include numerous other industry sectors covering a variety of applications. Their current market expansion focus is in the following sectors:

**Mining & Tunnelling Oil, Gas & Energy**

Power Generating Plants  
Chemical Processing Facilities  
Utilities

**Environmental**

Waste Treatment  
Water Treatment  
Air Quality (Pollution) Control

**Construction Manufacturing**

Steel  
Aluminum  
Automotive

**General Industrial**

Food & Beverage Processing  
Parking Garages  
Subway Systems

**... and other fields**

The opponent advertises its wares and services in engineering publications such as

*Camese Compendium*, at trade shows such as the Canadian International Mining Show, the

National Coal Show, and the Electric Power Show. The opponent's submissions on the natures of the parties' trades are found at paragraphs 21 and 23 of Mr. Tancredi's affidavit:

21. THAT the applicant, Platinum Energy Services Corp., is a manufacturer of oil and gas process solutions, focusing on the oil and gas industry. The applicant manufactures hydrogen sulphide analyzers and gas igniter control systems in association with the trade mark ONSPEC. The opponent, Conspec, manufactures sensors in association with the trade mark CONSPEC that monitor hydrogen sulphide for a number of different industries such as chemical, oil and energy, with customers being off-shore oil rigs and refineries, etc.

23 . THAT Conspec' s goods, in association with the trade mark CONSPEC, may be used in Canada for the purposes of ensuring that the risk of accident on oil and gas sites is minimized. The applicant's goods, in association with the trade mark ONSPEC, are also used in Canada for the purpose of ensuring that risk of accident on oil and gas sites is minimized.

#### APPLICANT'S EVIDENCE

Mr. MacNutt's evidence may be summarized as follows. Platinum Controls began to use the mark ONSPEC under licence from the applicant in October 2004. The mark has been used on one product, namely an analyzer. The instrument examines a pressurized gas sample for hydrogen sulfide content on a 0 - 20 ppm range. The sample source is between the wellhead (that is, a control device used to manage and control gas) and the containment vessel or pipeline for the gas. The analyzer has a safety rated certification for use in explosive environments. Since October 2004, about \$55,000 has been spent on marketing the ONSPEC product. Sales have amounted to about \$2 million. In the twenty years that Mr. MacNutt has spent in the oil and gas instrumentation field he has never encountered the opponent's products or services nor was he aware of the opponent's existence until the present proceeding commenced. The applicant's

ONSPEC product is for use in the oil and gas industry, not in the petrochemical or mining

industries. Paragraphs 13 to 16 of Mr. MacNutt's affidavit discuss the parties' wares, their

channels of trade and the typical purchaser of the applicant's wares:

13. Platinum's customers are sophisticated buyers that are purchasing equipment in a very specialized

area of the oil and gas industry, specifically the completions sector. Platinum's customers have extensive knowledge of the completions sector and the kinds of equipment required and are purchasing through sales representatives of Platinum. This direct sales approach to sophisticated buyers, it is my belief, decreases the likelihood of confusion between the products of Platinum and those of Conspec.

14. From my review of Conspec's affidavit and evidence, it is my understanding that the Conspec line of

products can only be used as ambient monitors to monitor H<sub>2</sub>S at ambient pressures. Such monitors, can be used in many industries including waste water treatment plants and animal rendering facilities.

It is possible, therefore there is potential for the channel of trade or Conspec's ambient monitor product to overlap with many industries, however, it is my belief from experience, and based on the evidence provided by Conspec, that Conspec does not actively market or sell their product in the completions sector of the oil and gas industry.

15. Conspec claims that they manufacture sensors that monitor hydrogen sulfide for a number of

different industries, including chemical, oil and energy with customers being off-shore rigs and oil refineries. It is my belief from the evidence provided by Conspec that such sales would make up a very small part of Conspec's business, their primary market being the mining industry.

16. The publications that Conspec advertises in, such as *Camese Compendium* and the trade shows it has

attended to promote its products, such as the *Canadian International Mining Show*, and the *National Coal Show*, which are all mining industry related, is further evidence of the differing channels of trade for Platinum and Conspec's products.

Mr. MacNutt has also submitted some evidence which suggests that several third parties employ the component SPEC in trade-marks for scientific/industrial instruments, for example, MICROSPEC (The Foxboro Company), RETRSPEC (Guardian, A Shawcor Company), SPEC (Varian, Inc.), and ESPEC (Espec Kabushiki Kaisha).

#### OPPONENT'S REPLY EVIDENCE

The opponent's reply evidence stresses the similarity in the parties' products, and notes

that the users/customers of both parties are engineers and technical support personnel who would likely come across the wares of both parties when researching "H<sub>2</sub>S inline pressurized gas detection analyzer" products. The opponent's concern is expressed at paragraph 12 of its reply evidence:

12. THAT paragraph 13 of the Macnutt Affidavit states that Platinum's customers are

sophisticated buyers that are purchasing equipment in a very specialized area of the oil and gas industry, specifically, the completions sector. Conspec Controls' clients are no less sophisticated or specialized, especially in the field of controls, programmable logic controllers (PLCs), instrumentation (gas monitoring), and controls that include complicated/intricate data collection and alarm sequencing logic. Notwithstanding how sophisticated the buyer or how specialized the application, when a buyer/engineer/maintenance specialist sees or uses a search engine revealing the names ONSPEC or CONSPEC associated with the words or symbols related to "gas", "monitor", "in-line", "pressurized", "H<sub>2</sub>S", or "hydrogen sulphide", it is only natural to conclude that there may be a connection between the goods of the applicant and those of the opponent.

The opponent further notes that in the 1970s and 1980s, about 90% of the opponent's business derived from the mining industry, but that since the year 2000 its underground coal mining revenues have accounted for less than 75% of total revenues. The opponent's product development program is moving into products for various industries including construction, medicine and energy. The opponent's goal is to have a 50/50 balance between underground coal mining and diverse above-ground applications by the year 2010.

The opponent also notes that the applicant is a distributor for AMI, a competitor of the opponent. AMI sells an oxygen deficiency monitor which is similar to an oxygen deficiency

monitor sold by the opponent. The opponent notes that the applicant, as a distributor for AMI products, has access to "the same market as Conspec Control's market." The opponent's concern is expressed at paragraph 21 of its reply evidence:

21. THAT the applicant claims that, as of today, their ONSPEC-branded product is being

used in a very specific area. Conspec Controls has also had products that were used in a specific way. However, over time, our products have been modified and improved in order to be used in a wider range of applications and in order to remain competitive. Both the applicant and the opponent are Canadian companies who are reaching out to a global market. In the case of AMI, the applicant represents and promotes Conspec Controls' direct competitor.

#### MAIN ISSUE

The determinative issue in this proceeding is whether the applied for mark ONSPEC is confusing with the opponent's mark CONSPEC. The material dates to assess the issue of confusion are (i) the date of my decision with respect to the ground of opposition pursuant to Section 12(1)(d) alleging non-registrability, (ii) April 5, 2004, with respect to the grounds of opposition pursuant to Sections 16 and 30(i), and (iii) the date of opposition, that is, April 20, 2005, with respect to the ground of opposition alleging non-distinctiveness: for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v. Canadian Retired Persons* (1998), 84 C.P.R.(3d) 198 at 206 - 209 (F.C.T.D.).

#### LEGAL ONUS

The legal onus is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of Section 6(2) of the *Trade-marks Act*, between the applied for mark ONSPEC and the opponent's mark CONSPEC. The presence of an onus on the applicant



means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant: see *John Labatt Ltd. v. Molson Companies Ltd.* (1990) 30 C.P.R.(3d) 293 at 297-298 (F.C.T.D.). The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are set out in Section 6(5) of the *Trade-marks Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; the degree of resemblance in appearance or the sound of the marks or in the ideas suggested by them. This list is not exhaustive; all relevant factors are to be considered. All factors do not necessarily have equal weight. The weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy I. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.).

#### SECTION 6(5) FACTORS

The applied for mark ONSPEC possesses a fairly low degree of inherent distinctiveness although it is a coined word. In this regard, the suffix SPEC would likely be viewed as a truncation of the word "specification" and the mark as a whole has the connotation that the applicant's wares measure whether materials are within certain specifications or will produce proper specifications. Thus, the mark ONSPEC is suggestive of the function of the applicant's wares. The applied for mark is based on proposed use and therefore would not have acquired any reputation at the earliest material date. However, the mark began to acquire at least some distinctiveness through use and advertising commencing in October 2004. The opponent's mark

CONSPEC also possesses a fairly low degree of inherent distinctiveness as the mark as a whole suggests that the opponent's wares and services function to "control specifications." It is not clear from the evidence if the opponent's mark had acquired distinctiveness at the earliest material date, however, the mark CONSPEC had acquired some distinctiveness through use and advertising by the end of 2005.

The length of time that the marks in issue have been in use favours the opponent as the opponent's use of the mark CONSPEC dates to 1980 while the applicant's use of its mark ONSPEC commenced in 2004. However, as there is no evidence indicating the extent of use of the opponent's mark prior to 2005, the length of time that the marks have been in use is a minor factor.

With respect to the wares and trades of the parties, it is the applicant's statement of wares in its application and the opponent's statement of wares and services in registration no. 252878 that govern, at least in respect of the Section 12(1)(d) ground of opposition: see *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R.(3d) 3 at 10-11 (F.C.A.), *Henkel Kommanditgesellschaft v. Super Dragon* (1986), 12 C.P.R.(3d) 110 at 112 (F.C.A.) and *Miss Universe, Inc. v. Dale Bohna* (1994), 58 C.P.R.(3d) 381 at 390-392 (F.C.A.). However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. In this regard, evidence of the actual trades of the parties is useful, at least where the description of the wares and services is open to interpretation: see *McDonald's Corporation v. Coffee Hut*

*Stores Ltd.* (1996), 68 C.P.R.(3d) 168 (F.C.A.). Considering the actual trades of the parties, I agree with the applicant's submissions in its written argument that the applicant's products are not encompassed by the opponent's wares. I also agree with the applicant's submission that "the opponent has indicated in its evidence that they produce environmental monitors which is a distinctively different product than that of the applicant." While there may be potential for the opponent to expand into the applicant's business, the evidence indicates that such a change is more in the nature of a possibility rather than a probability. I also accept the applicant's submissions that the parties operate in distinct, specialized areas of industry. That is, the opponent operates generally in the mining industry while the applicant operates in the completions sector of the oil and gas industry.

I appreciate the opponent's concerns that engineering and technical staff researching for wares and services appropriate to its area of industry might initially encounter the products of both parties, depending on the specificity of search parameters being used. However, the training and expertise of the potential purchasers would quickly distinguish one type of product from the other. As noted by the applicant, the parties' wares and services are not sold to the average retail consumer but to sophisticated purchasers with specialized knowledge and very specific task requirements. This circumstance requires the purchaser to carefully consider each product before purchasing it and lessens the likely of confusion as to the source of the product.

The marks in issue resemble each other to a fair degree visually and aurally owing to the common suffix SPEC which, as discussed earlier, is not particularly distinctive. Further, it is the

first portion or first syllable of a mark, rather than the suffix, that is the more important for the purposes of distinction: see *Conde Nast Publications Inc. v. Union Des Editions Modernes* (1979) 26 C.P.R.(2d) 183 at 188 (F.C.T.D.). The marks in issue resemble each other to a limited *legree* in the ideas that they suggest. In this regard, the opponent's mark CONSPEC suggests the idea of "controlling specifications" while the applied for mark ONSPEC suggests the idea of "on or within specifications."

#### DISPOSITION

Having regard to the above, and keeping in mind that small differences may suffice to distinguish between marks of low inherent distinctiveness (see *GSW Ltd. v. Great West Steel Industries Ltd.* (1975), 22 C.P.R.(2d) 154 (F.C.T.D.)), I find that the applicant has shown, on a balance of probabilities, that there is no reasonable likelihood of confusion between the applied for mark ONSPEC and opponent's mark CONSPEC at any material date. Accordingly, the opposition is rejected.

DATED AT VILLE DE GATINEAU, QUEBEC, THIS 13th DAY OF NOVEMBER, 2008.

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Myer Herzig,  
Member,  
Trade-marks Opposition Board