

**IN THE MATTER OF AN OPPOSITION  
by Consumers Distributing Inc. to application  
No. 677,419 for the trade-mark CDIT Design  
filed by Sony Kabushiki Kaisha also trading  
as Sony Corporation**

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On March 11, 1991, the applicant, Sony Kabushiki Kaisha also trading as Sony Corporation, filed an application to register the trade-mark CDIT (illustrated below) for “audio cassette tapes” based on proposed use in Canada. The application was advertised for opposition purposes on June 3, 1992.

The opponent, Consumers Distributing Inc., filed a statement of opposition on November 2, 1992, a copy of which was forwarded to the applicant on November 30, 1992. The opponent was granted leave to amend its statement of opposition on September 3, 1993. The first ground of opposition is that the applicant’s application does not comply with the provisions of Section 30(e) of the Trade-marks Act because the applicant did not intend to use its applied for mark.

The second ground of opposition is that the applicant’s application does not comply with the provisions of Section 30(i) of the Act. In this regard, the opponent alleged that the applicant could not have been satisfied that it was entitled to use its mark because it was aware of the opponent’s various registered trade-marks. The third ground is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Act because it is confusing with 21 registered trade-marks of the opponent, the most relevant of which is the trade-mark CD registered under No. 196,262 for the following services:

promoting the sale and the selling of merchandise by the publication of catalogues illustrating and describing same; maintaining mail order, warehouse and shipment facilities for processing mail orders for, and deliveries of merchandise; maintaining branch showrooms and warehouses for the public viewing of and the processing of direct orders and deliveries of merchandise.

The fourth ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(3)(a) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the opponent's 21 registered trade-marks previously used in Canada by the opponent and its predecessor in title. The fifth ground is that the applicant is not the person entitled to registration pursuant to Section 16(3)(c) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the trade-names Consumers Distributing Company Limited, Consumers Distributing and Consumers Distributing Inc. previously used in Canada by the opponent and its predecessor in title. The sixth ground is that the applied for trade-mark is not distinctive in view of the foregoing.

The applicant filed and served a counter statement. As its evidence, the opponent filed an affidavit of Philip Hodgson. As its evidence, the applicant filed the affidavits of Alison Fripp and Linda Victoria Thibeault. Both parties filed a written argument and an oral hearing was conducted at which only the applicant was represented.

At the oral hearing, the agent for the applicant requested leave to file three additional affidavits so long as the request did not delay the proceeding. I indicated that the request for leave would necessitate an adjournment of the oral hearing in order to afford the opponent an opportunity to comment on the applicant's request. Consequently, the applicant's agent withdrew the request for leave.

The opponent's first ground of opposition is based on the provisions of Section 30(e) of the Act. The material time for assessing the applicant's compliance with Section 30(e) is the filing date of its application. As of that date, Section 30(e) read as follows:

**30. An applicant for the registration of a trade-mark shall file with the Registrar an application containing.....**

**(e) in the case of a proposed trade-mark, where the application is not accompanied by an application for registration of a person as a registered user, a statement that the applicant intends to use the trade-mark in Canada....**

Subsequent to the filing of the present application, Section 30(e) was amended to refer to licensed use rather than an accompanying registered user application.

The onus or legal burden is on the applicant to show its compliance with Section 30(e): see the opposition decisions in Joseph Seagram & Sons v. Seagram Real Estate (1984), 3 C.P.R.(3d) 325 at 329-330 and Canadian National Railway Co. v. Schwauss (1991), 35 C.P.R.(3d) 90 at 94 and the decision in John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R.(3d) 293 (F.C.T.D.). There is, however, an evidential burden on the opponent respecting its allegations of fact in support of that ground. That burden is lighter respecting the issue of non-compliance with Section 30(e) of the Act: see page 95 of the Schwauss decision and the opposition decision in Green Spot Co. v. J.B. Food Industries (1986), 13 C.P.R.(3d) 206 at 210-211.

The applicant's application formally complies with Section 30(e) of the Act since the required statement appears in the application. The issue then becomes whether or not the applicant has substantially complied with Section 30(e) - i.e. - is the applicant's statement that it intended to use the applied for trade-mark true? In the present case, however, the opponent failed to file evidence directed to satisfying its evidential burden. Thus, the first ground of opposition is unsuccessful.

As for the second ground of opposition, it is not clear that it raises a proper ground since the opponent did not allege that the applicant was aware that its mark was confusing with the opponent's registered marks. If it does, then its success or failure is contingent on a finding of confusion between the marks at issue.

As for the third ground of opposition, the material time for considering the circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in Conde Nast Publications Inc. v. Canadian Federation of Independent Grocers (1991), 37 C.P.R.(3d) 538 at 541-542 (T.M.O.B.). The onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Furthermore, in applying the test for confusion set forth in Section 6(2) of the Act,

consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act. Finally, as noted above, the most relevant of the opponent's registered marks is CD and thus a consideration of the issue of confusion between that mark and the applicant's mark will effectively decide the outcome of the third ground.

The applicant's mark is inherently distinctive. However, it does include the designation CD which suggests that the applicant's audio cassette tapes bear some connection with compact discs. Thus, the applicant's mark may not be inherently strong. There being no evidence of use of the applicant's mark, I must conclude that it has not become known at all in Canada.

The opponent's mark CD comprises two initials functioning as an abbreviation for the opponent's name. Thus, the opponent's mark is inherently weak. There is no evidence establishing that the opponent has used its trade-mark CD in association with the registered services. The opponent has not evidenced the use of that mark in the publication of catalogues for others; maintaining mail order, warehouse and shipment facilities for others or maintaining showrooms and warehouses for others. To the extent that the opponent has engaged in such activities, they have been performed for the benefit of the opponent and are essentially self-serving. In any event, the opponent has not evidenced the use of the mark CD in association with those activities. Thus, the opponent's registered mark has not become known at all in Canada.

The opponent claims that it has used the mark in association with the sale of various goods including audio equipment and accessories. However, registration No. 196,262 does not include any such wares or services. Furthermore, the references to the letters CD appearing in the opponent's catalogues and flyers appended as exhibits to the Hodgson affidavit do not evidence trade-mark use. The letters appear frequently as part of the phrase "CD Price \$X.XX" included at the end of each product description. In my view, that phrase is simply an indication of Consumers Distributing's price for the particular object. It does not qualify as trade-mark use of CD for any wares.

Given that the opponent has failed to evidence use of its trade-mark for the registered services, the length of time the marks have been in use is not a material circumstance in the present case. The applicant's wares are different from the opponent's registered services. As for the trades of the parties, the statement of services in the opponent's registration suggests that the opponent's trade is the publication of catalogues and the maintenance of showrooms and warehouses for third parties. On that basis, the trades of the parties are different.

In fact, however, the Hodgson affidavit shows that the opponent's actual trade is different from that described in its statement of services. The opponent carries on its own catalogue operation through which it sells the wares of others. Thus, to the extent that the applicant's wares could be sold through the opponent's catalogues and showrooms, there would have been some incidental overlap in the trades of the parties. However, even that overlap is of little consequence since the parties are involved in essentially different enterprises, the applicant being a vendor of audio cassette tapes and the opponent being a specialized retailer using catalogue showrooms to sell the products of others.

The marks of the parties bear a fair degree of resemblance since the first and dominant portion of the applicant's mark comprises the entirety of the opponent's registered mark. However, as previously noted, initials comprise weak marks. Furthermore, the Fripp affidavit evidences a number of uses of the term CD by third parties to describe their compact disc players which are sold through the opponent's own catalogue. The opponent itself uses that term in its catalogues as an abbreviation for the words "compact disc." Thus, consumers are accustomed to seeing the term CD used widely as an abbreviation for the words "compact disc" and it would take little to distinguish a mark including that term from other similar marks.

As an additional surrounding circumstance, the applicant has relied on the state of the register evidence in the Thibeault affidavit respecting marks of record incorporating the letters CD. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace: see the opposition decision in Ports International Ltd. v. Dunlop Ltd. (1992), 41 C.P.R.(3d) 432 and the decision in Del Monte Corporation v. Welch

Foods Inc. (1992), 44 C.P.R.(3d) 205 (F.C.T.D.). Also of note is the decision in Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd. (1992), 43 C.P.R.(3d) 349 (F.C.A.) which is support for the proposition that inferences about the state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located.

A review of the Thibeault affidavit reveals a fairly small number of relevant registrations. Thus, Ms. Thibeault's search results cannot be used to support the conclusion that the term CD is in common use for wares similar to those of the applicant. However, as already noted, the opponent's own catalogues have already given some support to that very conclusion.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the inherent weakness of the marks at issue, the absence of any reputation for the opponent's mark in association with its registered services, the differences in the wares, services and trades of the parties and the evidence of third party trade-marks or product descriptions incorporating the letters CD, I find that the applicant has satisfied the onus on it to show that its mark is not confusing with the opponent's registered mark CD. The second and third grounds are therefore also unsuccessful.

As for the fourth ground of opposition, as noted above, the opponent has failed to evidence any use of its mark CD in association with the registered services. Furthermore, as also noted above, the opponent has failed to evidence use of the term CD as a trade-mark for any wares or services. Thus, the opponent has failed to satisfy its initial evidential burden under Section 16(3)(a) of the Act and the fourth ground is therefore also unsuccessful.

As for the fifth ground of opposition, the opponent has evidenced prior use of its various trade-names in association with the business of operating a retail catalogue store. Thus, the ground remains to be decided on the issue of confusion between each of those names and the applicant's proposed mark. Given the differences between the wares, services and trades of the parties and the absence of any resemblance of note between the names and the

applicant's mark, I find that the applicant's mark is not confusing with any of the trade-names relied on by the opponent. Thus, the fifth ground of opposition is also unsuccessful.

As for the sixth ground of opposition, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its wares from those of others throughout Canada: see Muffin Houses Incorporated v. The Muffin House Bakery Ltd. (1985), 4 C.P.R.(3d) 272 (T.M.O.B.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the opposition (i.e. - November 2, 1992): see Re Andres Wines Ltd. and E. & J. Gallo Winery (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.) and Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.). Finally, there is an evidential burden on the opponent to prove the allegations of fact in support of its ground of non-distinctiveness.

The sixth ground essentially turns on the issue of confusion between the applicant's mark and the opponent's trade-marks and trade-names. Given my conclusions above respecting the issue of confusion respecting the third and fifth grounds, it also follows that the applicant's mark is not confusing with the opponent's trade-names and registered marks as of the filing of the present opposition. Thus, the sixth ground is also unsuccessful.

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I reject the opponent's opposition.

DATED AT HULL, QUEBEC, THIS 7th DAY OF FEBRUARY, 1997.

David J. Martin,  
Member,  
Trade Marks Opposition Board.