

IN THE MATTER OF AN OPPOSITION
by Royal Bank of Canada/Banque Royale du Canada to
application No. 827,442 for the trade-mark TRANSACT
and Design filed by The Manufacturers Life Insurance Company

On October 30, 1996 , the applicant, The Manufacturers Life Insurance Company, filed an application to register the trade-mark TRANSACT and Design, shown below, based on use in Canada since May 1996 by either the applicant itself or through a licensee. The right to the exclusive use of the word “transact” was disclaimed apart from the trade-mark. The application was advertised for opposition purposes on April 8, 1998. The application as advertised covers the following services: “(1) Electronic information transfer services, namely the transfer of insurance, financial, bank and mutual fund information via private lines, third party servers, and the Internet, to and from agents, brokers and others.”



Royal Bank of Canada/Banque Royale du Canada filed a statement of opposition on September 8, 1998, a copy of which was forwarded to the applicant on September 21, 1998. The first ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Trade-marks Act ,R.S.C. 1985, c. T-13 (“the Act”) because it is confusing with the opponent’s trade-mark TRANSACT & Design (shown below), registered under No. TMA 337,888, in association with “Banking services, namely commercial and corporate banking services”. The second ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(1)(a) of the Act because, as of the applicant’s date of first use, the applied for trade-mark was confusing with the opponent’s above noted trade-mark which had been previously used in Canada. The final ground of opposition is that the applied for trade-mark is not distinctive in that it does not distinguish nor is capable of distinguishing the services of the applicant from the

services of others, and more particularly from the services in association with which the opponent's trade-mark TRANSACT and Design has been used in Canada by the opponent.

«TRANSACT»

The applicant filed and served a counter statement on October 20, 1998. The opponent's Rule 41 evidence consists of the affidavit of Ms. Linda Navas, Manager, Access Information Products, of Royal Bank of Canada. The applicant's Rule 42 evidence comprises the affidavits of John Hrabí, Project Director - Field Implementation, Electronic Processing Environment for the electronic information transfer services developed and offered by the applicant, Karen Myles, Trade-mark Searcher employed by the applicant's agent, and Ludmila Spaleny, Student-at-Law employed by the applicant's agent. As its evidence in reply, the opponent submitted the affidavit of Robert M. Frazier, Head, Product Management of Royal Bank of Canada. Both parties filed a written argument and an oral hearing was not conducted.

The Grounds of Opposition

Each of the grounds of opposition turn on the issue of confusion between the applicant's mark TRANSACT and Design and the opponent's TRANSACT and Design mark, as registered and previously used in Canada in association with banking services, namely commercial and corporate banking services. The material date for the Section 12(1)(d) ground of opposition is the date of my decision (see **Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.** (1991), 37 C.P.R. (3d) 413 (F.C.A.), while the material dates for assessing the non-entitlement and non-distinctiveness grounds are, respectively, the applicant's date of first use (i.e. May, 1996) and the date of opposition

(i.e. September 8, 1998). In assessing whether there would be a reasonable likelihood of confusion between the trade-marks at issue, the Registrar must have regard to all the surrounding circumstances, including, but not limited to, the criteria which are specifically enumerated in s.6(5) of the Act. Further, the Registrar must bear in mind that the legal burden is on the applicant to establish that there would be no reasonable likelihood of confusion between the trade-marks of the parties as of the material dates noted above.

As for Section 6(5)(a) of the Act, neither of the marks at issue possess a high degree of inherent distinctiveness because the word TRANSACT is suggestive of both the applicant's electronic information transfer services and the opponent's banking services. The only distinctive components of the opponent's mark are the use of brackets before and after the word TRANSACT, and the appearance of the word "transact" in a computer style font with the letter "s" having part of a line above and below it to form the impression of a dollar sign. The applicant's mark also has distinctive design components. In this regard, the "trans" component of the applicant's mark appears in lower case in a script type font slightly above the component "act" which appears in upper case in a bold block font. Both components appear in an oval shaped figure comprised of two swirling arrows.

With respect to the extent to which the trade-marks have become known, from the evidence furnished I conclude that the opponent's mark has become known to a greater extent throughout Canada than the applicant's mark. In this regard, the evidence of Ms. Navas is that the opponent's mark has been used since at least December, 1987. She states that as of at least May 1996, revenues generated by the opponent of its TRANSACT and Design services were approximately \$3,000,000 per year, and that the opponent has invested at least \$50,000 in the promotion of its TRANSACT

and Design services to the opponent's customers since the introduction of the services in Canada. At paragraph 11 of her affidavit, Ms. Navas states that as of May, 1996, there were a minimum of 6,500 customers who used the opponent's services in Canada and that at the date of her affidavit, i.e. May 19, 1999, there were a minimum of 7,300 customers who had used the opponent's services in Canada.

Mr. Hrabı's evidence is that since 1996, the applicant spent over \$50,000 in preparing and distributing information materials on the applicant's TRANSACT and Design services to various insurance agents and brokers across Canada. The applicant has also advertised and promoted its electronic information transfer services to agent and brokers through articles in the applicant's internal trade publications including the April, 1996 edition of a publication entitled "Dialogue" (approx. 2500 of which were circulated in Canada) and the May, 1996 edition of a publication entitled "Today" (approx. 4,000 of which were distributed to agents of the SRS Division of Manulife, brokers and field office staff across Canada). Of the approximately 2,000 agents and brokers who requested access to the TRANSACT and Design services, approximately 550 agents and brokers had actually activated and used the system by the date of his affidavit. Mr. Hrabı further states that between 1996 and 1999, the applicant spent in excess of \$85,000 to train agents and brokers how to use the TRANSACT and Design software. On page 7 of his affidavit, Mr. Hrabı states that for each of the years 1996, 1997 and 1998, the TRANSACT and Design services were used to facilitate approximately 2, 3 and 4% of Manulife's individual and retirement sales which were in excess of \$1,500,000,000 for each of those years. From Mr. Hrabı's evidence, I am able to conclude that the applicant's mark has become known to some extent in Canada, but primarily among the applicant's own insurance agents and brokers.

With respect to s.6(5)(b) of the Act, the opponent's mark has been used in Canada since December 1987, while the applicant's mark has been in use since 1996. This factor therefore favours the opponent.

As for the wares, services and trades of the parties (Sections 6(5)(c) and (d)), it is the applicant's statement of services and the opponent's statement of services in registration No. TMA 337,888 that govern: see **Mr. Submarine Ltd.** v. **Amandista Investments Ltd.** (1987), 19 C.P.R.(3d) 3 at 10-11 (F.C.A.) (hereinafter "**Mr. Submarine**"), **Henkel Kommanditgesellschaft** v. **Super Dragon** (1986), 12 C.P.R.(3d) 110 at 112 (F.C.A.) (hereinafter "**Henkel Kommanditgesellschaft**") 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: see page 169 of the decision of the Federal Court of Appeal in **McDonald's Corporation** v. **Coffee Hut Stores Ltd.** (1996), 68 C.P.R. (3d) 168.

In the present case, the applied for services comprise "electronic information transfer services, namely the transfer of insurance, financial, bank and mutual fund information via private lines, third party servers, and the Internet, to and from agents, brokers and others". Mr. Hrabı describes the applicant's services in more detail at p.4 of his affidavit as follows:

"The TRANSACT electronic information transfer system, which is easily installed on the brokers' or agents' computer through CD-ROMS or Internet download provided by Manulife, allows the agents and brokers to complete administrative transactions on their computers and then submit the information to Manulife's head office. The TRANSACT system is part of the Diamond View suite of products, which are designed to facilitate business and management of client information for brokers and agents who sell Manulife's financial and insurance products. Each transaction provides a series of step by step requests for information specific to that transaction, ensuring that everything necessary has been provided before the request is transmitted to Manulife.

Brokers or agents have the option of sending the transaction for processing immediately or saving a number of requests for processing at one time, which is most convenient.

Using the TRANSACT services, agents or brokers can electronically make deposits or withdrawals, transfer within or between policies and request rate guarantees...”

The opponent’s services, as registered, comprise “Banking services namely, commercial and corporate banking services.” Ms. Nawas, describes the opponent’s services in more detail at paragraphs 4 through 6 of her affidavit as follows:

4. Royal Bank of Canada TRANSACT & Design services allow a customer to receive all transaction and balance data processed the previous day by Royal Bank through the customer’s accounts, including loans, current accounts and term deposits. Transmission of this information is controlled by Royal Bank supplied software allowing the customer to simply download the financial data once a day, store it and then retrieve it for later comparison and further analysis and generate various reports.
5. Royal Bank of Canada TRANSACT & Design services not only allow a customer to get daily information on all of its banking activity, but they also allow a customer to instantly transfer funds between Royal Bank’s customer accounts.
6. The TRANSACT & Design services also allow a customer to pay bills and make federal tax filings, GST payments and payroll source deduction remittances.

The applicant concedes in its written argument that there is some overlap in the parties’ services in that both involve the transmission electronically of financial data. There is little actual overlap, however, between the parties’ channels of trade. In this regard, the applicant’s evidence shows that significant time and money has been expended over the last several years by the applicant to educate and train insurance agents and brokers on the availability of and how to use the applicant’s services in order to facilitate efficient processing of the financial data related to sales made by these agents and brokers of insurance and investment products to the general public. The opponent’s services on the other hand, are traditional corporate/commercial banking services targeted at small and mid-sized commercial customers in various different industries. The services are offered to the

public at large and provide for the transfer electronically to the customer of traditional banking information, such as balances and transactional activity on any given account from the previous day, and also allows a customer to conduct banking business electronically such as paying bills, payroll, tax payments, etc. Although the reply affidavit of Mr. Frazier indicates that insurance agents and brokers may use the opponent's TRANSACT and Design services, there is no evidence of how many agents or brokers may use them and in what capacity (i.e. for their personal finances, or as part of their business).

Although there is little actual overlap between the parties' services and trades, there is an overlap when the parties' statement of services are considered. As noted above, it is the applicant's statement of services and the opponent's statement of services in registration No. TMA 337,888 that govern. In this regard, the applicant's statement of services is not restricted to agents and brokers but also includes "others". Therefore, although the applicant's services are not currently used by the general public, they could be in the future. Further, the opponent's services as registered could include the transfer of transactional data from the sale of investment products.

As for s.6(5)(e) of the Act, the only common element between both parties' marks is the descriptive word "transact" which has been disclaimed in both the applicant's application and the opponent's registration. This common element makes the marks similar in sound, however, as both parties marks would likely be pronounced as "TRANSACT". Although each parties' design is different, this common element also makes the marks similar in appearance. With respect to the ideas suggested, the opponent's mark suggests some kind of commercial transaction involving money and computers (because of the computer type font and the letter S appearing as a dollar sign) while the applicant's mark connotes the idea of a circular transaction.

As a surrounding circumstance, the applicant has relied on state of the register evidence and common law searches to show that the word “transact” is a common component of trade-marks, domain names and business names. 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.

In the present case, Ms. Myles did not conduct her own search of the records of the Canadian Trade-Marks Office but rather had the search conducted by an outside source. This evidence is therefore hearsay. As Ms. Myles did not verify the accuracy of the results of the search, or explain the necessity for having this search conducted by an outside source, I consider this evidence to be inadmissible. Even if it were admissible, the results of this search would not have advanced the applicant’s case. In this regard, the results of the search revealed only 2 third party applications for marks which include the word TRANSAC or TRANSACT (one of which is for computer software and the other for telecommunication services) and 1 Section 9 TRANSAC mark for “automated public sector transaction processing services”. In my view the existence of 2 applications and 1 Section 9 mark, without any evidence of use in the marketplace, is insufficient to allow any conclusions to be made about possible common adoption of TRANSACT sounding marks in the relevant marketplace.

Ms. Myles also used outside sources to conduct a search of corporate and business names registered in Quebec, a search of Canadian and U.S. domain names and a NUANS search of Canadian corporate business names. This evidence is also inadmissible hearsay for the same reasons set out above. Had this evidence been admissible, all that I would have been able to conclude from it is that the word “transact” or words similar in sounding have been adopted as an element of a number of corporate and business names in Canada.

Ms. Myles also performed various computerized searches herself, including BC Online, Canadian Business Directory, and with the help of an associate, conducted searches of Pro CD Phone, and CD Namesearch. The results of all of these searches, for the most part, are of little assistance to the applicant’s case as the majority of business names found included the word “transaction” or “transactions” in their name and not the word “transact”.

Ms. Spaleny, student-at-law employed by the applicant’s agent firm, found various dictionary definitions for the word “transact” and also conducted searches of the word “transact” on various Canadian bank internet sites. The evidence of Ms. Spaleny shows that the word “transact” is a common dictionary word meaning “to perform or carry out business” and is commonly used by Canadian Banks to describe their banking services on their Internet sites.

The applicant has also relied on the absence of evidence of actual confusion between the marks at issue as an additional surrounding circumstance. Mr. Hrabı’s uncontradicted testimony is that no such instances were brought to his attention notwithstanding the co-extensive use of the parties’ marks in Canada for over four years. In my view, the absence of confusion in the present case is not surprising given that only 550 insurance agents and brokers had used the applicant’s

services as of the date of Mr. Hrabi's affidavit, and given that the actual trades of the parties up until such time were also different. I therefore do not consider the absence of confusion to be a relevant factor in the present case.

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 in particular to the high degree of resemblance between the marks in appearance and in sound, and the potential overlap between the parties' channels of trade, I find that the applicant has failed to meet the legal burden on it with respect to the issue of confusion. All of the grounds of opposition are therefore successful.

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I refuse the applicant's application pursuant to s.38(8) of the Act.

DATED AT HULL, QUEBEC, THIS 21st DAY OF May, 2002.

C.R. Folz,
Member,
Trade Marks Opposition Board.