

**IN THE MATTER OF AN OPPOSITION
by Cellular One Group, a partnership to applica-
tion No. 654,398 for the trade-mark CELLULAR
ONE filed by Lloyd Brown and now standing in
the name of Bell Mobility Cellular Inc.**

On March 30, 1990, Lloyd Brown filed an application based on proposed use in Canada to register the trade-mark CELLULAR ONE for the services “installation into motor vehicles of radios and telephones” and for the following wares:

radio communicators, radio mobile telephones, motor vehicle antennas and motor vehicle communication equipment, citizen band radios, cellular telephones and accessories thereto, including cables, connectors, wiring, mounting systems, decorative coverings and electronic accessories.

The application as filed included a disclaimer to the word CELLULAR. The application was advertised for opposition purposes on August 21, 1991.

The opponent, Cellular One Group, a partnership, filed a statement of opposition on December 20, 1991, a copy of which was forwarded to the applicant on February 4, 1992. The first ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(3) of the Trade-marks Act because, as of the applicant’s filing date, the applied for trade-mark was confusing with the trade-mark CELLULAR ONE previously made known in Canada by the opponent in association with

the provision of public cellular radio telecommunication services, roaming cellular telecommunication services and retail store services in the field of public cellular radio telecommunications equipment and sales of cellular telecommunications equipment.

The second ground of opposition is that the applicant’s application does not comply with the provisions of Section 30(e) of the Act because Lloyd Brown did not intend to use the applied for trade-mark himself but instead intended that it be used by his company Cellular One Inc. The third ground is that the applied for trade-mark is not distinctive in view of (1) the reputation associated with the opponent’s trade-mark CELLULAR ONE and (2) the use of the trade-mark CELLULAR ONE by Cellular One Inc.

The applicant filed and served a counter statement. As its evidence, the opponent filed the affidavits of Shirley McDonald and Jan Vavra. As its evidence, the applicant filed the affidavits of Dayle Brands and Linda Elford. Both parties filed a written argument and an oral hearing was conducted on April 23, 1996 at which both parties were represented.

By a document dated June 3, 1992, Lloyd Brown assigned his trade-mark CELLULAR ONE to Cellular One Inc. having an office at 9012 Boulevard L'Acadie in Montreal. The assignment was recorded in the Trade-marks Office on August 5, 1992. By a document dated August 13, 1992, Cellular One Inc. assigned the trade-mark to Bell Mobility Cellular Inc., the current applicant of record. The second assignment was recorded in the Trade-marks Office on September 23, 1992.

At the commencement of the oral hearing, I noted that the opponent had not evidenced any use or making known of its trade-mark and I assumed that the opponent would therefore not be pursuing its first ground of opposition. The opponent's agent indicated that, by letter dated April 19, 1996, the opponent had requested leave pursuant to Rule 40 (formerly Rule 42) of the Trade-marks Regulations to amend its statement of opposition to remove the first ground of opposition and the first aspect of the third ground of opposition. After hearing the parties, I granted the opponent's request for leave pursuant to Rule 40. The opponent's grounds are therefore reduced to two, the first based on non-compliance with Section 30(e) of the Act and the second based on non-distinctiveness in view of the use of the trade-mark CELLULAR ONE by Cellular One Inc.

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?

The evidence of record establishes the following:

- (1) Lloyd Brown and Peter Lashchuk incorporated Cellular One Inc. on April 3, 1987. The articles of incorporation identify the proposed location of the company's registered office as the Montreal Urban Community and the type of business as retail and wholesale cellular telephones. (Exhibit A to the Vavra affidavit)
- (2) Cellular One Inc. changed its registered office to 9012 Boulevard de L'Acadie on December 15, 1989. (Exhibit A to the Vavra affidavit)
- (3) Lloyd Brown filed the present application on March 30, 1990 based on proposed use in Canada. No registered user application was filed in favor of Cellular One Inc. at that time.
- (4) Lloyd Brown assigned the trade-mark CELLULAR ONE and the present application

to Cellular One Inc. on June 3, 1992.

(5) The Montreal residential and business telephone directories for the years 1989 to 1992 had listings for Cellular One but no listing for Lloyd Brown. (paragraphs 3 and 13 of the Vavra affidavit)

(6) On December 23, 1992, Bell Mobility Cellular Inc. filed an application to register the trade-mark CELLULAR ONE (application No. 719,508) based on use in Canada by itself and its predecessor in title Cellular One Inc. since April 3, 1987.

I consider that the foregoing is sufficient to satisfy the opponent's evidential burden. The evidence suggests that Lloyd Brown and Peter Lashchuk incorporated Cellular One Inc. on April 3, 1987 and that the company conducted a cellular telephone business in association with the trade-mark CELLULAR ONE from that date on. The fact that the current applicant of record, Bell Mobility Cellular Inc., filed another application to register the trade-mark CELLULAR ONE based on use by itself and Cellular One Inc. since April 3, 1987, is consistent with the foregoing. In fact, the applicant admits at page 13 of its written argument that Cellular One Inc. had used the applied for trade-mark since April 3, 1987. Thus, it would appear that Lloyd Brown's stated intention to use the mark when he filed the present application was false. Rather, it would appear that his intention was to have his company Cellular One Inc. use the mark CELLULAR ONE and that such use had, in fact, already commenced.

In view of the above, it was incumbent on the applicant to prove that Lloyd Brown did, in fact, intend to use the applied for mark when he filed the present application. The applicant failed to do so. It is the applicant's position that Lloyd Brown probably mistakenly filed the present application in his own name. The applicant further contends that since there was no fraudulent intent on the part of Mr. Brown, his application should not be defeated since he did not benefit in any way. I disagree. Although I doubt that Mr. Brown had any fraudulent intent when he filed the present application, he did gain a priority over other traders by filing it and his application's pendency may have deterred other traders from filing applications for the same or similar marks. In any event, non-compliance with Section 30(e) is not a mere

technicality and Mr. Brown's false statement makes the present application void from the outset: see the opposition decisions in Atlantic Queen Sea Foods Ltd. v. Frisco-Findus S.A. (1992), 44 C.P.R.(3d) 261 at 267 and Mirabel Fisheries Ltd. v. HydroSerre Inc. (1994), 55 C.P.R.(3d) 567..

The agent for the applicant submitted that the present case is distinguishable from the Atlantic Queen case since, in that case, there was evidence that the applicant unfairly benefitted from the priority it gained over other traders from its filing date (see page 267 of the reported decision). I disagree. My statement at page 267 of the Atlantic Queen decision was not based on any actual evidence that the applicant had, in fact, benefitted over a particular third party. Rather, it was simply an indication that the applicant had benefitted in the abstract. Such evidence would, of course, be difficult (if not impossible) to adduce since it would likely involve a third party foregoing the filing of its own application in view of the improperly filed application of the applicant.

The applicant's agent further submitted that, in any event, the applicant gained no benefit from its improperly filed application since Mr. Brown was one of the incorporators of Cellular One Inc. and thus no one could have been deceived by Mr. Brown's false statement in the present application. Again, I disagree. It is possible that a third party could have been aware of Mr. Brown's trade-mark application and the use of the trade-mark CELLULAR ONE by Cellular One Inc., that he assumed that two different parties were using the mark thereby making it non-distinctive and that the mark was therefore available for use by other traders. In any event, the present situation is similar to that in the Mirabel Fisheries case where the application had been filed by an individual ostensibly on behalf of his company and yet it was still held to be contrary to Section 30(e) of the Act.

The applicant also submitted that the "confirmatory assignment" in favor of Cellular One Inc. shows that there was no fraudulent intent on the part of Mr. Brown. Contrary to the applicant's submission, however, the assignment was not confirmatory and on its face purports

to assign the mark as of the date of execution, namely June 3, 1992. Although the first paragraph of the assignment states that Mr. Brown “did sell [and] assign...” his trade-mark to Cellular One Inc., there is no indication as to when that event occurred. On the other hand, the third paragraph speaks in the present tense and clearly states that Mr. Brown “doth hereby sell [and] assign....” Thus, in the absence of clarification from the applicant, I consider that the assignment is not confirmatory: see Marcus v. Quaker Oats Co. (1988), 20 C.P.R.(3d) 46 at 50 (F.C.A.). Even if I could assume that the assignment was confirmatory, I have no idea if it confirms an assignment that took place ten years or ten days before the execution date. In any event, even if that assignment evidences the lack of fraudulent intent on the part of Mr. Brown, it does not rectify the error made by Mr. Brown in the original application. Quite apart from the question of whether one can assign a mere intention to use, the June 3, 1992 assignment cannot convert a nullity into a valid application.

As for the ground of opposition based on non-distinctiveness, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its services 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. - December 3, 1991): 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 supporting its ground of non-distinctiveness.

The applicant’s agent submitted that the material time respecting the second ground of opposition is the date of my decision in view of the decisions in Automobile Club de l’Ouest de la France v. Bridgestone/Firestone, Inc. (1995), 62 C.P.R.(3d) 292 at 295 (F.C.T.D.) and Clarco Communications Ltd. v. Sassy Publishers Inc. (1994), 54 C.P.R.(3d) 418 at 429 (F.C.T.D.). However, the finding by Mr. Justice Denault in each of those two decisions regarding the material time for the issue of non-distinctiveness is based on a mis-reading of the Park Avenue decision. In any event, those two decisions are at the Trial Division level and

I consider that I am obliged to follow the two decisions of the Federal Court of Appeal on point.

The opponent's evidence points to use of the mark CELLULAR ONE by Cellular One Inc. as of the filing of the opposition (i.e. - December 20, 1991). In fact, as previously noted, the applicant has conceded that use of the mark since 1987 was by that company. I therefore find that the opponent has met its evidential burden respecting the second ground. Since the original applicant, Mr. Brown, did not file a registered user application in favor of that company and since there is no evidence that Mr. Brown had licensed Cellular One Inc. to use his mark, I find that the applicant has failed to show that the applied for mark was adapted to distinguish Mr. Brown's wares and services from those of Cellular One Inc. as of the material time. The second ground is therefore also 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.

DATED AT HULL, QUEBEC, THIS 14th DAY OF MAY, 1996.

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