

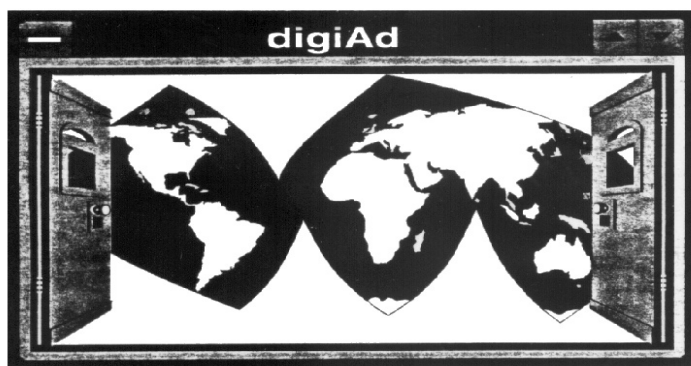
**IN THE MATTER OF AN OPPOSITION  
by Digi International Inc. to application  
No. 797,653 for the trade-mark DIGIAD  
& Design filed by William Curry**

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**On November 20, 1995, the applicant, William Curry, filed an application to register the trade-mark DIGIAD & Design (shown below) based on proposed use in Canada with the following services:**

Internet marketing and Internet advertising services for others, namely, setting up Internet Web Sites, setting up reciprocal links between Internet Web Sites, posting announcements in Internet Usenet groups, registering Internet Web Sites on Internet Web search-engines, providing customized Internet Email mailing lists, e-mailing of Web Site announcements to standard or customized Email mailing lists.

**The application was amended to include a disclaimer to the word AD and was subsequently advertised for opposition purposes on August 21, 1996.**



**The opponent, Digi International Inc., filed a statement of opposition on January 21, 1997, a copy of which was forwarded to the applicant on February 3, 1997. 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 because it is confusing with the opponent's trade-mark DIGIBOARD registered under No. 392,205 for "microcomputer hardware and computer programs for use in communications" and the opponent's trade-mark DIGICHANNEL registered under No. 392,206 for "multi-channel communications boards for microcomputers."**

**The second ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(3) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with**

- (1) the trade-name Digi International previously used in Canada by the opponent;**
- (2) the trade-marks DIGIBOARD, DIGICHANNEL, DIGI INTERNATIONAL and DIGI & Design previously used in Canada; and**
- (3) the trade-marks DIGI INTERNATIONAL and DIGI & Design for which applications had previously been filed in Canada (S. Nos. 758,315 and 758,316).**

**The third ground is that the applied for trade-mark is not distinctive because it is confusing with the opponent's trade-marks and trade-name.**

**The applicant filed and served a counter statement. As its evidence, the opponent submitted an affidavit of its Chief Financial Officer, Jonathon E. Killmer. The applicant's evidence consists of an affidavit of the applicant. Only the opponent filed a written argument and an oral hearing was conducted at which both parties were represented.**

**As for the first 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.). Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Finally, 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.**

**As for Section 6(5)(a) of the Act, the applicant's trade-mark DIGIAD & Design is inherently distinctive. However, the sole word component of that mark (i.e. - digiAd) is derived from the words "digital ad" or "digital advertisement" which are highly suggestive, if not descriptive, of the applicant's marketing and advertising services. Thus, the applicant's mark is not inherently strong. Mr. Curry failed to evidence any reputation for his mark in Canada and I must therefore conclude that it had not become known at all in Canada as of the filing of the present opposition.**

**The opponent's registered marks DIGIBOARD and DIGICHANNEL are coined words and are therefore inherently distinctive. However, the marks are derived from the descriptive phrases "digital board" and "digital channel." Thus, the opponent's marks are not inherently strong.**

**In his affidavit, Mr. Killmer identifies himself as the Chief Financial Officer of the opponent and states that his company sells hardware and software products for multi-user environments, remote access and LAN connect markets. Mr. Killmer states that his company's sales of products bearing the trade-mark DIGI in Canada have averaged about \$225,000 a month since October of 1995. The opponent has also advertised that mark in Canada by itself and through its Canadian distributors. Thus, as of the material time, the trade-mark DIGI had become known to some extent among those in the computer field. However, Mr. Killmer did not evidence any use or reputation in Canada for the registered trade-marks DIGIBOARD and DIGICHANNEL and I must therefore conclude that they had not become known at all in Canada as of the filing of the present opposition.**

**Given the absence of evidence of use of the opponent's two registered marks, the length of time the marks have been in use is not a material circumstance in the present case. As for Sections 6(5)(c) and 6(5)(d) of the Act, the opponent's wares comprise hardware and software used for computer networks. Exhibit A to the Killmer affidavit is a product brochure which illustrates the range of the opponent's products, most of which are fairly expensive hardware items.**

**The applicant's services relate to the implementation of Internet web sites including links and customized e-mail mailing lists. The applicant's services therefore differ from the opponent's wares although both fall within the broad category of computer goods and services. On the other hand, there could be an overlap in the markets of the parties insofar as the applicant's services could be performed for the same customers who purchase the opponent's goods.**

As for Section 6(5)(e) of the Act, there is a fair degree of visual resemblance between the marks at issue since the only word component of the applicant's mark is DIGIAD which bears a fair degree of resemblance to the opponent's registered marks DIGIBOARD and DIGICHANNEL. As noted by the opponent, it sometimes uses its mark in a similar form to the applicant's (e.g. - see Exhibit G to the Killmer affidavit which shows the opponent's first registered mark as DigiBOARD). The applicant's mark does, however, include a significant design component which serves to distinguish it somewhat from the opponent's marks.

The degree of phonetic resemblance between the marks is greater since the design component of the applicant's mark then becomes irrelevant. To the extent that all of the marks suggest something "digital", there is some resemblance between them as to the ideas suggested.

An additional surrounding circumstance is the opponent's use of its trade-mark DIGI. As of the filing of the present opposition, there had been Canadian sales in excess of \$3.5 million in association with that trade-mark. This increases the likelihood that consumers would associate DIGI or DIGI-prefixed marks with the opponent.

The applicant contends that the widespread adoption and use of DIGI-prefixed trade-marks by other traders lessens the likelihood of confusion. Although he referred to a large number of such marks in his counter statement, the applicant failed to file evidence on point. In the absence of state of the register evidence or state of the marketplace evidence, I am unable to conclude that DIGI-prefixed marks are in common use for computer-related wares and services.

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 resemblance between the marks at issue, the potential overlap in the trades of the parties and the reputation shown for the opponent's mark DIGI, I find that I am left in a state of doubt respecting the issue of confusion between the applicant's mark DIGIAD & Design and

the opponent's registered marks DIGIBOARD and DIGICHANNEL. Thus, I find that the first ground of opposition is successful. If the applicant had been able to evidence common use of DIGI-prefixed marks in the trade, my conclusion respecting the first ground might have been different.

As for the first aspect of the second ground of opposition, there was an initial burden on the opponent to evidence use of its trade-marks and trade-name prior to the applicant's filing date. Although the opponent has evidenced prior use of its trade-mark DIGI, it failed to evidence prior use of the specific marks and name relied on in its statement of opposition. Thus, the first aspect of the second ground is unsuccessful.

The opponent has also relied on its applications for the trade-marks DIGI INTERNATIONAL and DIGI & Design. Since the applications were filed prior to the applicant's application and were pending as of the applicant's advertisement date, this aspect of the second ground of opposition remains to be decided on the issue of confusion as of the applicant's filing date.

Most of my conclusions respecting the first ground of opposition are also applicable to this ground as well although there had only been limited use of the opponent's trade-mark DIGI as of the applicant's filing date. Nevertheless, given the resemblance between the marks at issue, the potential overlap in the trades of the parties and the absence of any evidence of third party DIGI-prefixed marks in the computer marketplace, I find that I am left in a state of doubt respecting the issue of confusion between the applicant's mark DIGIAD & Design and the opponent's trade-marks DIGI INTERNATIONAL and DIGI & Design. Thus, the second ground of opposition is successful insofar as it is based on the opponent's two previously filed applications.

As for the third ground of opposition, the opponent has evidenced a reputation for its trade-mark DIGI in Canada but not for its trade-name or any of the specific trade-marks

**relied on it the statement of opposition. Thus, the opponent has failed to meet its evidential burden respecting the third ground and it is unsuccessful.**

**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 4<sup>th</sup> DAY OF OCTOBER, 2000.**

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