



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2010 TMOB 106
Date of Decision: 2010-07-15

**IN THE MATTER OF AN OPPOSITION
by Canadian Jewellers Association to
application No. 1,140,354 for the
certification mark CERTIFIED
GEMOLOGIST in the name of American
Gem Society**

[1] On May 10, 2002, American Gem Society (the Applicant) filed an application to register CERTIFIED GEMOLOGIST (the Mark) as a certification mark. When filed, the application was based solely upon use of the Mark in Canada by licensees in association with “services of analysis, testing, and grading diamonds” since at least as early as 1996.

[2] The Applicant received an Examiner’s Report that advised that the Mark was unregistrable under s. 12(1)(b) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act) because the Mark was considered to be either clearly descriptive or deceptively misdescriptive of the applied for services in that the Mark clearly indicates that the Applicant’s services are rendered by certified gemologists. In response, the Applicant amended its application to also rely upon the use and registration of the Mark in the United States of America in association with “gemological services, namely grading of precious stones” and claimed the benefit of s. 14 based on its U.S. registration. It simultaneously filed an affidavit of Ruth Batson (sworn October 28, 2004) in support of its claim to the benefit of s. 14. The amended application described the standard associated with the Mark as follows, and indicated that “such standard is defined in detail in AGS DIAMOND GRADING STANDARDS MANUAL AND WORKBOOK which document is on file”:

The certification mark may only be used by an individual who:

- (i) is a graduate of a course relating to diamond examination approved by the Applicant;
- (ii) is employed by or associated with a business that is a Firm Member of the Applicant in good standing for a period of more than one year; and
- (iii) has passed the annual certification test administered by the Applicant.

[3] The Applicant subsequently disclaimed the right to the exclusive use of the word GEMOLOGIST apart from the Mark, in response to a request from the Examiner who had noted that the U.S. registration contained such a disclaimer.

[4] The statement of services in the application currently reads “gemological services, namely, grading of precious stones” (the Services) in respect of both use of the Mark in Canada and use and registration of the Mark abroad.

[5] The application was advertised for opposition purposes in the *Trade-marks Journal* of March 30, 2005.

[6] On August 23, 2005, Canadian Jewellers Association (the Opponent) filed a statement of opposition, which pleaded ten grounds of opposition:

- 1) s. 30(a) – the application does not include a statement in ordinary commercial terms of the specific services in association with which the Mark has been used;
- 2) s. 30(b) – the application does not contain a date from which the Applicant or a named predecessor-in-title has used the Mark and the Opponent asserts that the Applicant has not in fact used the Mark with the indicated services as first so alleged;
- 3) s. 30(d) – the statement respecting the use and registration of the Mark by the Applicant in the United States is not true and accurate, in that the Applicant has not used the alleged mark in the United States prior to filing this application, namely May 10, 2002;
- 4) s. 30(f) – the application does not contain particulars of the defined standard that the use of the Mark is intended to indicate;

- 5) s. 30(f) – the application does not contain a statement that the Applicant is not engaged in the manufacture, sale, leasing or hiring of wares or the performance of the services, such as those in association with which the certification mark is used, and the Applicant is in fact engaged in the performance of such services;
- 6) s. 2 – the alleged mark is not distinctive in that it does not actually distinguish the services in association with which it has been allegedly used by the Applicant from the wares and services of others, nor is it adapted so to distinguish them, including, the wares and services of the Opponent;
- 7) s. 12(1)(b) – the alleged mark is not registrable in that it is when depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English language of the character or quality of the services in association with which it is allegedly used, or of the conditions of or persons employed in their production, or of the place of origin;
- 8) s. 12(1)(b)/14(1) – the alleged mark is not registrable notwithstanding s. 12(1)(b) in that contrary to s. 14(1) the alleged mark is without distinctive character, having regard to all of the circumstances of the case, including the length of time during which it has been used in Canada, the United States and other countries;
- 9) s. 23 – the alleged mark is not registrable as a certification mark in that the Applicant is engaged in the manufacture, sale, leasing or hiring of wares or the performance of services such as those in association with which the certification mark has allegedly been used;
- 10) s. 12(1)(e)/10 – the Applicant is not the person entitled to registration in that the Mark has by ordinary and *bona fide* commercial usage become recognized in Canada as designating the kind, quality, quantity, destination, value, place of origin or date of production of the services, with the result that the adoption of the alleged mark by the Applicant with the applied for services or its use is likely to mislead.

[7] The Applicant filed and served a counter statement in which it denied the Opponent's allegations.

[8] In support of its opposition, the Opponent filed a certified copy of the prosecution file in respect of the present application, two affidavits of Marta Tandori Cheng, and an affidavit of Catherine Sproule.

[9] In support of its application, the Applicant filed an affidavit of Ruth Batson. The Opponent obtained an order for the cross-examination of Ms. Batson on her affidavit and has filed a transcript of the cross-examination as well as answers to certain questions undertaken or taken under advisement.

[10] As reply evidence, the Opponent filed an affidavit of Heather Resnick. The Applicant obtained an order for the cross-examination of Ms. Resnick on her affidavit. Ms. Resnick was not available to attend for cross-examination and so her affidavit was returned to the Opponent and is not part of the record.

[11] Both parties filed written arguments and both were represented at an oral hearing.

[12] I will now summarize those portions of the parties' affidavit evidence that I consider most pertinent to the issues in this proceeding.

The Opponent's Evidence

Cheng affidavit sworn April 20, 2006

[13] Ms. Cheng is a trade-mark agent employed by the Opponent's trade-mark agents. Her first affidavit can be broken down into four categories of evidence.

[14] First, she provides copies of various dictionary definitions for "gemologist", "certify", "certified", and "joint venture".

[15] Second, she provides various information obtained online from the United States Patent and Trademark Office. This information relates to U.S. trademark applications and registrations owned by a party whose name includes the phrase "American Gem Society".

[16] Third, she provides printouts of certain pages located on the Internet through a search conducted on April 18, 2006 for *www.ags.org*.

[17] Fourth, she states that she has been advised by Gary Travis that some of the web pages that she located are very similar to ones obtained on July 28, 2005. This specific evidence is clearly inadmissible hearsay and so I am disregarding paragraph 19 and Exhibit “Q” of the first Cheng affidavit.

Cheng affidavit sworn July 14, 2006

[18] The second Cheng affidavit can be broken down into three categories of evidence.

[19] First, she provides a YAHOO Canada search that she conducted on July 14, 2006 for websites that contain the phrase “Certified Gemmologist” without the phrase “AGS”.

[20] Second, she provides printouts of pages from each of the websites located in the foregoing search.

[21] Third, she provides a YAHOO Canada search that she conducted for websites that contain the phrase “Certified Gemologist” without the phrases “AGS” or “American Gem Society”.

Objection to the admissibility of the Cheng affidavits

[22] The Applicant has objected to certain parts of Ms. Cheng’s evidence, namely those portions that it considers to be contentious. In support of this position, the Applicant relies upon *Cross-Canada Auto Body Shop Supply (Windsor) Ltd. v. Hyundai Auto Canada* (2006), 53 C.P.R. (4th) 286 (F.C.A.), as well as subsequent decisions of the Registrar of Trade-marks that refer to *Cross-Canada*. In order to assess the validity of the objection, I must consider the different categories of Ms. Cheng’s evidence.

[23] At the oral hearing, the Applicant advised that it does not object to Ms. Cheng’s provision of dictionary definitions and trade-mark registrations, because such portions of her evidence did not include either opinion or analysis. However, it objects to her evidence that consists of Internet searches and her analysis of same. Ms. Cheng does not set out any analysis of her evidence within her affidavits but the Applicant submits that the Internet search portions of her evidence “should not be admitted and/or given zero weight as they require impermissible

analysis and opinion evidence.” (paragraph 6, Applicant’s written argument) At paragraph 8, the Applicant submits:

Even if the evidence cited above were admissible, the evidence largely consists of printouts of Internet search engine results, with little or no analysis of their content. This evidence is hearsay, in some cases double or triple hearsay. It should be given no weight on that basis alone, given that there was no necessity for this evidence, nor is the evidence reliable.

[24] At the oral hearing, the Applicant further submitted that the failure to bring the Cheng Internet search results to the attention of Ms. Batson during her cross-examination is also a problem.

[25] I disagree with the Applicant’s position that the Internet search portions of the Cheng evidence are controversial. I understand that a search strategy must be developed in order to conduct a search. The specific strategy used is evident from the exhibits to the Cheng affidavits, but the Applicant’s concern is the undisclosed thought that went into creating that strategy. However, I personally do not see that the concerns expressed by the Federal Court of Appeal in *Cross Canada* legitimately apply here. I do not see how any self-interest of an agent employed by a party could be seen to bias these search results. It is quite apparent that the search was directed to see if anyone other than the Applicant has employed the phrase “certified gemologist” on Canadian websites. I do not see how the fact that this evidence was introduced by an employee of the Opponent’s agent makes it less proper or open to suspicion than if the Opponent or its agent had hired an outside investigator to do such searches and swear an affidavit. Either way, the Applicant could, if it desired, cross-examine the provider of such evidence to ask why they chose the search terms that they chose. In the present case, the answer seems self-evident. Overall, the evidence does not appear to me to be controversial. I also note that the Applicant could have, if it wished, provided its own Internet searches to rebut the Opponent’s Internet searches.

[26] In my view, the impugned exhibits are evidence that as of such a date, the printed pages appeared on the Internet. This does not of course mean that anyone read these pages; it simply means that someone chose to post these pages and that they were at the time of the search

accessible from Canada. Such evidence, if sufficient and if prior to the relevant material date, can be good evidence on the issue of whether others employ the phrase “certified gemologist”. As such evidence is not being presented to evidence the truth of the contents of the pages, but rather simply their existence, I do not consider there to be a hearsay problem.

[27] My foregoing discussion should not be interpreted as saying that affidavits from employees of a party’s agent ought always to be considered; I am simply saying that I do not think that these particular portions of the Cheng affidavits cross the line into the unacceptable.

Sproule affidavit sworn July 24, 2006

[28] Ms. Sproule is the Opponent’s Executive Director and has been in its employ since at least as early as 2000. She informs us that the Opponent was originally incorporated in 1924 as a national non-profit organization dedicated to the support and expansion of jewellery sales and the jewellery industry in Canada. It promotes standards and codes of ethics for its members and offers educational courses and seminars in the field of gemology. As of July 2006, the Opponent represented over approximately one thousand jewellers located across Canada.

[29] Ms. Sproule states, “in my experience in the jewellery and gemology trade in Canada, it is common for jewellers and gemologists employed in the jewellery and gemology trades who have obtained diplomas or certificates in gemology or jewellery courses apart from those offered by the American Gem Society, to generally refer to themselves as ‘certified gemologists’, or ‘certified gemmologist’ as a designation of their qualification.” Ms. Sproule does not however provide any exhibits in support of this statement. The two exhibits that she has provided relate to diamond grading; one of them is a “Certified Diamond Grader” diploma.

The Applicant’s Evidence

Batson affidavit sworn February 23, 2007

[30] Ms. Batson has been the Applicant’s Executive Director and Chief Executive Officer since 2002.

[31] As Exhibit “A”, Ms. Batson attaches and incorporates the affidavit that she swore on October 28, 2004 in support of the Applicant’s claim to the benefit of s. 14 during the prosecution of the present application; this will be discussed separately below.

[32] The Applicant was founded in 1934; it is a trade association of retail jewellers, independent appraisers, suppliers and selective industry members.

[33] The Applicant is “affiliated” with the American Gem Society Laboratories, LLC and AGS Advanced Instruments Division. The latter is “dedicated to providing the necessary tools and education for the performance of gemological services.” The former is “dedicated to using advanced technology and science in assessing and grading cuts of diamonds, while adhering to the AGS Diamond Grading Standards, while also being dedicated to proven ethics and knowledge.”

[34] Ms. Batson states, “The CERTIFIED GEMOLOGIST mark is a designation that has been used in association with the performance of gemological services in accordance with a defined standard set by AGS [the Applicant] in Canada and the United States since at least 1942.” In paragraph 9, she lists three requirements that an individual must meet in order to be entitled to use the Mark. In paragraph 14, she states that in Canada authorized use of the Mark is subject to a license whereby the Mark may only be used in association with services that conform to the standards of quality established or approved by the Applicant.

[35] The Applicant’s website refers to Certified Gemologist as being one of several individual titles that it awards; other titles that it awards are Registered Jeweler, Registered Supplier, and Certified Gemologist Appraiser (Exhibit “E”).

[36] Ms. Batson informs us that the Canadian Gemmological Association offers Associate level memberships to individuals who have been awarded the title of CERTIFIED GEMOLOGIST by the Applicant (paragraph 18, Exhibit “O”).

[37] In paragraph 19, Ms. Batson states that there have been extensive efforts to promote the Mark, but her evidence of this does not appear to relate to Canada.

[38] In paragraph 21, Ms. Batson attests that the Applicant enforces its trade-mark rights and she provides copies of six demand letters sent to individuals in the United States in late 2006 concerning their unauthorized use of the Mark (Exhibit “Q”); the outcome of these letters is not known.

Batson affidavit sworn October 28, 2004

[39] As noted earlier, during prosecution, the present application received an objection that the Mark was clearly descriptive of the Applicant’s services. In response, the Applicant claimed the benefit of s. 14 of the Act and provided this earlier affidavit of Ms. Batson in support of such claim.

[40] As Exhibits “D” and “E”, Ms. Batson provided two brochures that she identified as samples of marketing materials used in Canada and other countries. These brochures refer to the Mark, but there is no indication of the quantity distributed in Canada or when exactly they were distributed.

[41] As Exhibits “F”, “G” and “H”, Ms. Batson provided “true copies of print outs from websites identifying jewellers in Canada and showing use of CERTIFIED GEMOLOGIST”. These third party website pages date from 2004 and refer to a business in Cranbrook, British Columbia, an individual in London, Ontario, and an Ontario business with its head office in Clinton.

[42] As Exhibit “L”, Ms. Batson provided “a true copy of print-outs from the Internet search engine, www.google.com, showing that www.google.com lists 756 web pages (27 from Canada) when a user enters ‘certified gemologist’ and ‘ags’ as search terms.” These print-outs consist of four pages dated 16/06/2004. Although the third page indicates that 27 results were located when the search was restricted to “pages from Canada”, summaries of only the first 10 of these 27 results were provided. Of the 10 summaries, it is only clear in 5 that these relate to Canada and some of those 5 overlap (2 are referring to Ottawa, 2 are referring to Nash Jewellers in London, and 1 is referring to Cranbrook, B.C.).

[43] Ms. Batson stated that the approximate total volume and value of gemological services distinguished by the Mark performed by the Applicant's members in Canada was US\$57 million, while the approximate total volume and value of advertising such services by the Applicant and the Applicant's members in Canada was US\$3.4 million (paragraphs 11 and 12). I understand these figures to be the totals for services performed and advertised between 1942 (the date of first use referred to in that affidavit) and October 28, 2004 (the date that affidavit was sworn).

Cross-examination of Ms. Batson

[44] Although the transcript of the cross-examination is 175 pages in length, I consider only a small portion of it to be noteworthy; much of the information of note was provided pursuant to undertakings.

[45] At page 67, Ms. Batson stated that individuals are supposed to use the Mark as a "professional designation".

[46] At pages 137-8, she explained that the search provided as Exhibit "L" to her October 28, 2004 affidavit included the search parameter AGS because the search was intended to look "for Certified Gemologists who are legitimate members of the American Gem Society."

[47] At pages 138-44, questions were posed concerning the sales and advertising figures provided in Ms. Batson's October 28, 2004 affidavit. It was revealed that the sales figures represent the gross sales volume of all the Applicant's member firms, which means that if a firm has 50 employees of which only one is qualified to use the Mark, the entire sales volume of the 50 has been provided. Moreover, such sales figures would include the sales value of diamonds, not just the fee for grading such diamonds; it would also include the sales value of jewellery that did not include any precious stones. It was also revealed that the advertising figures were arrived at by using an industry norm of six percent of gross sales. Based on this information, I conclude that the sales figures presented in the affidavit are not reflective of the reputation that might have become associated with the Applicant's Mark in Canada, but may be extremely over-inflated. Moreover, I consider the advertising figures to not be valid for two reasons: 1) even if I could accept that the industry norm applies to the Applicant's Canadian members, there is no evidence

that the Mark appeared in all ads placed by such parties; and 2) there is very little evidence that the Mark has been advertised in Canada.

[48] As Question 57, Ms. Batson was asked what advertising the Applicant has done in Canada. She replied:

[The Applicant] has a very robust and aggressive advertising campaign via the web. We are promoting our member designations on cnn.com, Yahoo, AOL network. We also provide our members with radio scripts, television ads, print ads, all of which can be used in their community to promote their American Gem Society designation.

[49] I note that there is no evidence of what the aforementioned advertisements look like nor any evidence that any of the Applicant's Canadian members have used any of the Applicant's advertising materials.

[50] At pages 129-130, Ms. Batson was asked about her statement in paragraph 5 of her earlier affidavit to the effect that "CERTIFIED GEMOLOGIST has been used in association with [gemological services distinguished by CERTIFIED GEMOLOGIST] in the United States and Canada since at least as early as 1942." She replied, "The designation, Certified Gemologist, has been in use in the United States since 1942, and because of our North American membership, the reputation and the terminology definitely has spilled over into Canada since that time", but she did not know if there was a Canadian member since 1942 and there is little, if any, evidence of the spill over to which she refers. (Questions 680-684)

[51] In 2006, there were two new CERTIFIED GEMOLOGIST titleholders in Canada (u/t #7). In 2007, there were 19 Canadian CERTIFIED GEMOLOGIST title holders – 5 in British Columbia, 2 in Manitoba, 9 in Ontario and 3 in Quebec (u/t #15). In both 2006 and 2007, 95 recertification exams were sent to people in Canada (u/t #6). Given that there were only 19 CERTIFIED GEMOLOGIST title holders, the number 95 must include all of the various titles offered by the Applicant.

[52] Pursuant to the cross-examination, the Applicant filed a revised Exhibit "Q" to Ms. Batson's February 23, 2007 affidavit, because it was brought to her attention that the original exhibit incorrectly included demand letters sent to U.S. addresses, rather than Canadian addresses. The revised exhibit provides 7 demand letters sent to Canadian addresses in 2006.

There is no evidence that these demand letters resulted in the recipients ceasing use of “certified gemologist.”

Onus

[53] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v. The Molson Companies Limited* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298].

Ground No. 1 – s. 30(a)

[54] I agree with the Applicant that the Opponent has not met its initial burden in support of this ground. The first ground is accordingly dismissed.

[55] I will add that the Opponent has submitted that the statement of services was inappropriately broadened during prosecution from “services of analysis, testing, and grading diamonds” to “services of analysis, testing, and grading of precious stones”. While I agree that “precious stones” is a broader term than “diamonds”, there is no reference to this issue in the statement of opposition. Moreover, I am of the view that such an issue does not fall within any permissible ground of opposition (see s. 38).

Ground No. 2 – s. 30(b)

Clearly the application does allege a date of first use, so I will focus my discussion on the assertion that the Applicant has not used the Mark in Canada with the indicated services since the claimed date of first use, namely since at least as early as 1996 (which is interpreted as December 31, 1996).

An opponent’s evidential burden respecting the issue of non-conformance with s. 30(b) of the Act is light [*Tune Masters v. Mr. P's Mastertune Ignition Services Ltd.* (1986), 10 C.P.R. (3d) 84 at 89 (T.M.O.B.)]. Its evidential burden can be met by reference to the applicant's own evidence, however the applicant’s evidence should be ‘clearly’ inconsistent with the claims set forth in its

application [*Labatt Brewing Co. v. Molson Breweries, a Partnership* (1996), 68 C.P.R. (3d) 216 at 230 (F.C.T.D.); *Williams Telecommunications Corp. v. William Tel Ltd.*(1999), 4 C.P.R. (4th) 107 (T.M.O.B.)]. Also, s. 30(b) requires that there be continuous use of the applied for trademark in the normal course of trade since the date claimed [*Labatt Brewing Company Limited v. Benson & Hedges (Canada) Limited and Molson Breweries, a Partnership* (1996), 67 C.P.R. (3d) 258 at 262 (F.C.T.D.)].

[56] The Opponent relies upon the cross-examination of Ms. Batson to satisfy its initial burden. Specifically, the Opponent relies upon the fact that in response to certain questions taken under advisement, Ms. Batson advised that records do not exist prior to 2006 [see, for example, answers provided re Questions 345, 353 and 355]. The Opponent noted that the application's defined standards state that the Mark may only be used by an individual who, among other things, "has passed the annual certification test administered by the Applicant." However, when asked, the Opponent advised that there were no records available concerning the number of recertification exams sent to people in Canada prior to 2006. The Applicant's records only enabled it to respond that there were 19 CERTIFIED GEMOLOGIST title holders in Canada in 2006.

[57] While the inability of the Applicant to provide answers to questions about the use of its Mark in Canada prior to 2006 (and specifically prior to December 31, 1996 and between 1996 and May 10, 2002) is clearly not deliberate, it is my view that it must be held against it. A trademark applicant ought to rely upon its earliest provable date of use. When the validity of its alleged date is contested and it is asked for evidence to support it, it should not be able to successfully defend simply on the basis that it no longer has such evidence.

[58] I find that, through the cross-examination of Ms. Batson, the Opponent has succeeded in raising doubt about the Applicant having used the Mark in Canada at least as early as 1996. Since the Applicant did not file evidence directed to positively establishing that date, the s. 30(b) ground of opposition is successful. However, as the application has been filed on two bases and s. 30(b) is not relevant to the Applicant's reliance upon use and registration of the Mark in the U.S., the s. 30(b) ground can only succeed insofar as the basis of use in Canada is concerned.

Ground No. 3 – s. 30(d)

[59] The Opponent has not raised any doubt about the Applicant having used the Mark in the United States prior to the filing of the Canadian application. The ground is accordingly dismissed on the basis that the Opponent has not met its initial burden.

Ground No. 4 – s. 30(f)

[60] The application does contain particulars of the defined standard that the use of the Mark is intended to indicate. The Opponent has therefore not met its initial onus and this ground is accordingly dismissed.

Ground No. 5 – s. 30(f)

[61] The application contains a statement that the Applicant is not engaged in the manufacture, sale, leasing or hiring of wares or the performance of the services, such as those in association with which the certification mark is used. Therefore the application technically complies with s. 30(f). However, the Applicant must also substantially comply with s. 30(f) and so I must assess whether the statement that the Applicant was not engaged in the performance of the applied for services appears to be true. The material date in this regard is the date of filing of the application [*Flowers Canada/Fleurs Canada Inc. v. Maple Ridge Florist Ltd.* (1998), 86 C.P.R. (3d) 110 (T.M.O.B.)].

[62] The Opponent submits that the Applicant is engaged in the services because it is a majority partner in two entities that perform diamond grading services, namely American Gem Society Laboratories and American Gem Society Laboratories LLC. This allegation is based in part on records obtained from the U.S. Patent and Trademarks Office, in particular the following trade-mark registrations:

1. No. 2835236 for the mark SETTING THE HIGHEST STANDARD FOR DIAMOND GRADING, based on use since July 25, 2002 for “gemological services, namely, grading of precious stones”;

2. No. 2572470 for the mark AGS GEMOLOGICAL LABORATORIES & Design, based on use since October 31, 1995 for “grading, analyzing and testing diamonds”;
3. No. 2270028 for the mark AMERICAN GEM SOCIETY LABORATORIES, based on use since October 31, 1995 for “grading, analyzing and testing diamonds.”

[63] Each of these three registrations was originally in the name of a joint venture called American Gem Society Laboratories composed in part of the Applicant; each was assigned in 2005 to American Gem Society Laboratories, LLC (a limited liability company) [Exhibits “I”, “J”, “K”, “L”, and “M”; Cheng Affidavit of April 20, 2006].

[64] Ms. Batson has stated in paragraph 6 of her February 23, 2007 affidavit, “American Gem Society Laboratories, a Nevada joint venture, converted into a Nevada limited liability company, as American Gem Society Laboratories, LLC, in 2005. [The Applicant] was a majority owner of the membership interests in American Gem Society Laboratories and, post-conversion, remains a majority owner of the membership interests in American Gem Society Laboratories, LLC.” She also attested that the Applicant is not engaged in the performance of the services in association with which the Mark is used (paragraph 10); however this attestation was made in the present tense on February 23, 2007.

[65] During cross-examination, Ms. Batson confirmed that the Applicant remains one of two partners in American Gem Society Laboratories LLC and receives 51% of that entity’s profits (Questions 120, 121 and 133-135). American Gem Society Laboratories LLC grades and evaluates diamonds (Questions 141-144). The other partner is American Gem Society Investors, which Ms. Batson describes as “a group of investors” (Question 121). A follow-up question about American Gem Society Investors was refused on the basis of relevance (Question 126).

[66] Ms. Batson states that American Gem Society Laboratories LLC “has its own board, board of managers, separate from the [Applicant]...It is its own entity. It has its own management team. It has its own employees, and it resides in a separate building from [the Applicant]” (Question 136). The Applicant has the right to appoint 7 of American Gem Society Laboratories LLC’s 13 board members; 3 of the Applicant’s own board members sit on American Gem

Society Laboratories LLC's board - 2 pursuant to the Applicant's right to nominate 7 and 1 pursuant to a nomination by American Gem Society Investors (Questions 150-157).

[67] The Opponent submits that "by virtue of its participation in the American Gem Society Laboratories LLC partnership and its allocation of the majority profits therefrom, the Applicant is in effect performing the services for which registration is sought."

[68] Overall, it is not clear to me whether the Applicant's role in the joint venture American Gem Society Laboratories disqualified it from making the required statement that it was not engaged in the Services on May 10, 2002. The Applicant's agent submitted at the oral hearing that a joint venture in Nevada is more akin to a membership or limited liability corporation than a partnership. However, I am not aware of any evidence before me to that effect or of the ensuing consequences. Given that the legal burden is on the Applicant, I can only conclude that the Applicant has not provided evidence which on balance is sufficient to rebut the presumption raised by the Opponent. For this reason, this ground succeeds.

Ground No. 6 – s. 2

[69] The individual paragraph that pleads the non-distinctiveness ground of opposition does not itself set out sufficiently specific reasons for which the Mark is not distinctive. However, when that paragraph is read as part of the whole statement of opposition and in conjunction with the evidence, it is apparent that the Opponent is submitting that the Mark is not distinctive on two bases. The first is because it is clearly descriptive; my comments concerning the s. 12(1)(b) ground apply thereto. The second is that it is used by others, but that basis cannot succeed because there is no evidence before me of others using similar marks or terminology as of this ground's material date, namely August 23, 2005. [Re material date, see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.); re pleadings being corrected by the evidence, see *Novopharm Ltd. v. AstraZeneca AB et al.* (2002), 21 C.P.R. (4th) 289 (F.C.A.).]

Grounds Nos. 7 and 8 – s. 12(1)(b)/14(1)

[70] The Opponent has pleaded that the Mark is not registrable pursuant to s. 12(1)(b) because it “is, when depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English language of the character or quality of the wares or services in association with which it is allegedly used, or of the conditions of or persons employed in their production or of the place of origin.” The Opponent has further pleaded that contrary to s. 14(1) the Mark “is without distinctive character, having regard to all of the circumstances of the case, including the length of time during which it has been used in Canada, the United States and other countries.”

[71] The issue as to whether the Mark is clearly descriptive must be considered from the point of view of the average purchaser of the associated services. Furthermore, the Mark must not be dissected into its component elements and carefully analyzed but must be considered in its entirety as a matter of immediate impression [*Wool Bureau of Canada Ltd. v. Registrar of Trade Marks*, 40 C.P.R. (2d) 25 at 27-8 (F.C.T.D.); *Atlantic Promotions Inc. v. Registrar of Trade Marks*, 2 C.P.R. (3d) 183 at 186 (F.C.T.D.)]. Character means a feature, trait or characteristic of the product and “clearly” means “easy to understand, self-evident or plain” [*Drackett Co. of Canada Ltd. v. American Home Products Corp.* (1968), 55 C.P.R. 29 at 34 (Ex. Ct.)].

[72] The Applicant has submitted that the material date that applies to a s. 12(1)(b) ground of opposition is the date of my decision but I agree with the Opponent that it is the filing date of the application, namely May 10, 2002 [*Shell Canada Limited v. P.T. Sari Incofood Corporation* (2005), 41 C.P.R. (4th) 250 (F.C.T.D.); *Fiesta Barbeques Limited v. General Housewares Corporation* (2003), 28 C.P.R. (4th) 60 (F.C.T.D.)].

[73] The Opponent’s position is that its initial onus has been met because dictionary definitions of the words CERTIFIED and GEMOLOGIST support its allegation that the Mark is clearly descriptive. It points out that dictionary definitions served to satisfy the initial burden with respect to a s. 12(1)(b) ground in *Flowers Canada (supra)*, which concerned the certification mark MASTER FLOREST. I agree that the dictionary definitions satisfy the Opponent’s initial burden.

[74] In support of its initial onus, the Opponent also relied on Ms. Sproule's sworn statement that "it is common for jewellers and gemologists in the jewellery and gemology trades who have obtained diplomas or certificates in gemology or jewellery courses apart from those offered by the American Gem Society, to generally refer to themselves as 'certified gemologists', or 'certified gemmologist' as a designation of their qualification". However, Ms. Sproule has not evidenced that this was the case as of May 10, 2002.

[75] Regarding the Applicant's claim to the benefit of s. 14, the Opponent submits that such a claim cannot succeed since the material date with respect to s. 14 is also the filing date of the application and the United States registration that the Applicant relies upon in support of its s. 14 claim had not issued as of May 10, 2002. In support of its submission, the Opponent relies upon *Zorti Investments Inc. v. Party City Corp.* (2004), 36 C.P.R. (4th) 90 (T.M.O.B.), where Board Member Martin stated at pages 95-96:

Section 14 provides a mechanism analogous to that of s. 12(2) to allow the registration of a trade-mark otherwise unregistrable pursuant to s. 12(1)(b) where the applicant owns a corresponding foreign registration. Section 14(1) provides an exception to s. 12(1)(b) in the same way that s. 12(2) does: see *Molson Breweries*, *supra*. It would therefore seem to follow that the material time for considering the circumstances respecting s. 14(1) of the Act should be the same as that for s. 12(1)(b) and 12(2) -- *i.e.* -- the filing date of the applicant's application as discussed above. In fact, prior to the *Lubrication Engineers* decision, that was the position taken by the Opposition Board (see, for example, *Holiday Juice Ltd. v. Sundor Brand Inc.* (1990), 33 C.P.R. (3d) 509 (T.M.O.B.) at 512-513). To use a later material date for s. 14(1) would be not only logically inconsistent but would also appear to unfairly advantage a foreign applicant over a domestic applicant who must evidence that his clearly descriptive mark has become distinctive as of the filing date of the application.

It is therefore necessary for the applicant to evidence the existence of its corresponding foreign registration and to show that the applied for mark was not without distinctive character in Canada pursuant to s. 14(1)(b) of the Act as of the filing date of the application. Although the evidential burden on the applicant regarding the latter requirement is less than that respecting s. 12(2) of the Act, it nevertheless remains a heavy one: see *Supershuttle International, Inc. v. Canada (Registrar of Trade-marks)* (2002), 19 C.P.R. (4th) 34 (F.C.T.D.) at 42.

In the present case, the applicant's s. 14 claim fails on two counts. First, the applicant's corresponding U.S. registration did not issue until after the filing date of the present application. Second, the Zepf affidavit evidences use and advertising of the applicant's mark well after the material time. The evidence filed by the applicant during the initial prosecution of this application was not submitted as part of its evidence in the

opposition and therefore cannot be relied on: see p. 241 of the *Molson Breweries* decision. Given that the present application is based on proposed use, it is unlikely that the earlier filed evidence would have advanced the applicant's case, in any event. Thus, the opponent's first ground of opposition is successful.

[76] I agree with the logic set out in *Zorti*. I should mention however that the Applicant has based its contrary argument concerning the material date in part on comments that I made in *Kraft Canada Inc. v. ConAgra Grocery Products Co.* (2000), 10 C.P.R. (4th) 265 (T.M.O.B.). It is important to note that my *Kraft* decision was issued at a time when the material date regarding descriptiveness was considered to be the date of the Registrar's decision. The Federal Court subsequently reverted to the filing date of the application as the material date (see *Fiesta Barbeques, supra*), causing me to now take a different view of the matter from the *obiter dictum* expressed by me in 2000.

[77] As quoted above from *Zorti*, the Applicant must prove that, at the date of filing of its Canadian application, the Mark was registered in the foreign jurisdiction *and* it was not without distinctive character. In the present file, clearly the first condition is not met and accordingly the Opponent is successful under the seventh and eighth grounds of opposition.

[78] For completeness sake, I will note that the Opponent submitted that, had the Applicant's U.S. registration been extant as of May 10, 2002, then the s. 14 claim still would not succeed because i) the Applicant was using CERTIFIED GEMOLOGIST, AMERICAN GEM SOCIETY, rather than the Mark; and ii) displaying CERTIFIED GEMOLOGIST on a certificate does not amount to use of the certification mark as the words are being used to indicate a professional designation, rather than to indicate that the services are of a defined standard. Regarding the second point, the Opponent relied upon *Life Underwriters Assn. of Canada v. Provincial Assn. of Quebec Life Underwriters* (1988), 22 C.P.R. (3d) 1 (F.C.T.D.) and *Groupe Conseil Parisella, Vincelli v. CPSA Sales Institute* (2003), 31 C.P.R. (4th) 308 (T.M.O.B.). I will not comment on the likelihood of success of these alternative submissions of the Opponent.

[79] I will however mention that the Applicant submitted at the oral hearing that, in the event that I held that it could not avail itself of the benefit of s. 14, then it wished to rely on the benefit of s. 12(2). However, such an alternative is not available to the Applicant because it is unfair to allow an applicant to amend its application to claim the benefit of s. 12(2) at a late stage (see

Canadian Council of Professional Engineers v. Rotherbuhler Engineering Co. (2005), 50 C.P.R. (4th) 115 at 126 (T.M.O.B.) regarding an analogous request to add a s. 14(1) claim at a late stage). In any event, s. 12(2) requires greater evidence than that required by s. 14(1), including evidence broken down by province/territory.

Ground No. 9 – s. 23

[80] I do not think that s. 23 can be the basis of a registrability ground of opposition under s. 38(2)(b). For this reason, I am dismissing this pleading. I note however that the subject matter of this pleading has already been canvassed under my discussion of ground No. 5.

Ground No. 10 – s. 12(1)(e)/10

[81] The Opponent has not met its initial onus with respect to this ground and it is accordingly dismissed.

Disposition

[82] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application pursuant to s. 38(8) of the Act.

Jill W. Bradbury
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office