



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

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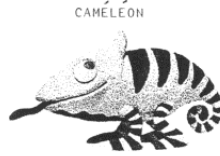
**IN THE MATTER OF AN OPPOSITION
by Cameleon Software SA to application
No. 1,422,576 for the trade-mark
CAMILION in the name of Camilion
Solutions Inc.**

[1] On December 19, 2008, Camilion Solutions Inc. (the Applicant) filed an application to register the trade-mark CAMILION (the Mark) based on proposed use in Canada in association with services described as “Web based business-to-business specialized software for the financial services industry that allows financial service companies to have a central data library for all their product information and to organize that information for their needs”.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of October 14, 2009.

[3] On March 12, 2010, Cameleon Software SA (the Opponent), then known as Access Commerce, Société Anonyme, filed a statement of opposition. The grounds of opposition allege, in summary, that:

- a) the application does not conform to the requirements of sections 30(a), (e) and (i) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act);
- b) the Mark is not registrable pursuant to section 12(1)(d) of the Act as it is confusing with the trade-mark CAMÉLÉON & Design (TMA583,695), shown below:



- c) the Applicant is not the person entitled to registration of the Mark pursuant to section 16(3)(a) of the Act because at the filing date of the application, the Mark was confusing with the Opponent's previously used trade-marks CAMÉLÉON and CAMÉLÉON & Design;
- d) the Applicant is not the person entitled to registration of the Mark pursuant to section 16(3)(c) of the Act because at the filing date of the application, the Mark was confusing with the Opponent's previously used trade-name CAMELEON; and
- e) the Mark is not distinctive pursuant to section 2 of the Act.

[4] The Applicant filed a counter statement essentially denying the grounds of opposition.

[5] In support of its opposition, the Opponent filed an undated affidavit of Jacques Soumeillan and a Certificate of Authenticity of registration No. TMA583,695 pursuant to section 41 of the *Trade-marks Regulations*, SOR/96-195 (the Regulations). Pursuant to section 44 of the Regulations, the Opponent was granted leave to file a further affidavit of Jacques Soumeillan, sworn November 9, 2010, with its Exhibits 1 to 24, to replace his undated affidavit. Mr. Soumeillan, the Opponent's Chief Executive Officer, has not been cross-examined.

[6] In support of its application, the Applicant filed an affidavit of Dave Conte, sworn December 10, 2010, with its Exhibits 1 to 29. Mr. Conte, the Applicant's Chief Financial Officer, has been cross-examined. The transcript of his cross-examination and the Applicant's reply to undertakings form part of the record.

[7] Both parties filed written arguments and were represented at an oral hearing, where I accepted to amend the record of the present proceeding to reflect the Opponent's change of name from Access Commerce, Société Anonyme to Cameleon Software SA. I note that the change of name is referenced in paragraph 1 of the affidavit of Mr. Soumeillan, who also indicates that the

Opponent was organized in 1986 under the name “la société Access Productique”. Accordingly, I hereby confirm that the record has been amended to reflect the Opponent’s name as Cameleon Software SA. I would add that the Applicant did not object to the amendment of the record.

Onus and Material Dates

[8] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. There is, however, an initial 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 Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298; and *Dion Neckwear Ltd v Christian Dior, SA* (2002), 20 CPR (4th) 155 (FCA)].

[9] The material dates that apply to the grounds of opposition are as follows:

- sections 38(2)(a)/30(a), (e) and (i)- the filing date of the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- sections 38(2)(b)/12(1)(d) - the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)];
- sections 38(2)(c)/16(3)(a) and (c) - the filing date of the application [section 16(3) of the Act]; and
- sections 38(2)(d)/2 - the filing date of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Preliminary Issue: Applicant’s Refusal to Reply to Certain Undertakings

[10] Before analyzing the grounds of opposition, I will address the parties’ submissions regarding the Applicant’s refusal to provide the following information requested during the cross-examination of Mr. Conte:

- a) the list of the Applicant’s shareholders and directors [p 10 of the transcript];

- b) whether a trade-mark availability search was done prior to filing the application and if so produce it [p 14 of the transcript]; and
- c) the unit sales of the Applicant's software by year [p 33 of the transcript].

[11] To the extent that the Applicant did reply to other undertakings given during the cross-examination, I disagree with the Opponent's contention that the affidavit of Mr. Conte should not be taken into consideration or given any weight because the Applicant has refused to provide the aforementioned information. Hence, if I am to agree with the Opponent that its requests are reasonable and relevant, I will only draw a negative inference from the refusal to provide the information, not disregard the entire affidavit.

[12] The Applicant submits that a cross-examination in opposition proceedings does not have the broader scope that an examination for discovery has. It contends that since the Opponent's requests do not relate to anything contained in the affidavit, they are improper and properly refused by the Applicant. Suffice it to say that the scope of cross-examination is certainly not as broad as that allowed in an examination for discovery [see *Simpson Strong-Tie Co v Peak Innovations Inc* 2009 FC 392].

[13] I now turn to the undertakings at issue starting with the list of the Applicant's shareholders and directors. The Opponent submits that the information is pertinent in determining whether the Mark "was indeed invented by using the initials of the founders of the Applicant". In that regard, I note the following statement in Mr. Conte's affidavit:

25. The company name and trade mark "Camilion" was invented by its original founders by using the first initial of the co-founders' first names and last names spelt backwards, and also incorporating the country of origin of the company. The co-founders names and country of origin are outlined below:

CAnada
Mohamed, Iqbal
Levy, Ilan
Ohm, Neil

(Emphasis in the text)

[14] Based on a fair reading of the cross-examination transcript, it appears to me that the Opponent requested the list of the Applicant's *current* shareholders and directors whereas

Mr. Conte references the Applicant's *original* founders. Hence, in my view there is some merit to the Applicant's oral submissions that the requested information would provide no information about its founders and the Opponent should have asked for the list of the Applicant's founders. In any event, in my opinion the list of shareholders and directors is of no significance in the circumstances of this case. Accordingly, if one finds it appropriate to draw a negative inference from the Applicant's failure to provide the information, it would be of no consequence.

[15] Besides submitting that the affidavit does not reference an availability search, the Applicant submits that such a search would be confidential information as between solicitor and client and therefore privileged information not producible even in a normal examination for discovery. The Opponent submits that "perhaps, the Applicant was fully aware of the Opponent and the nature its activities in connection with the CAMELEON/CAMÉLÉON marks". It is apparent that the Opponent's submissions relate to the section 30(i) ground of opposition. In my opinion, being aware of the Opponent's trade-marks would not necessarily have prevented the Applicant from truthfully making the statement required by section 30(i) of the Act. Accordingly, I deem it unnecessary to discuss the Applicant's submissions and to decide whether or not a negative inference should be drawn from the refusal to provide information about an availability search.

[16] Finally, the information about the unit sales of the Applicant's software by year was requested in the context of paragraph 24 of Mr. Conte's affidavit providing a chart showing a yearly breakdown of the Applicant's annual revenues in the United States in relation to the sales of software associated with the Mark and the maintenance contracts. The Opponent submits that the requested information "is relevant in determining the number of sales/clients in the United States as opposed to relying on the dollar value". It appears to me that the Opponent's submissions as to the relevancy of the information are inconsistent with the Opponent's overall submissions that Mr. Conte's statements relating to the United States market should not be given any weight. In any event, I am of the view that the Applicant's annual revenues in the United States are not of assistance to its case. Accordingly, if one finds it appropriate to draw a negative inference from the Applicant's failure to provide the information, it would be of no consequence.

Analysis of the Grounds of Opposition

[17] Before analysing the grounds of opposition in regard to the evidence of record, I wish to make preliminary observations.

Preliminary Observations

[18] There is no state of the register evidence in the present proceeding and so I am disregarding the Opponent's written submissions referencing the state of the register.

[19] The Opponent rightly submits that the definitions of the words "caméléon" and "chameleon" referenced in the Applicant's written argument were not introduced into evidence by way of affidavit or statutory declaration; however it is of no consequence as I may refer myself to dictionaries [see *Insurance Co of Prince Edward Island v Prince Edward Island Insurance Co* (1999), 2 CPR (4th) 103 (TMOB)].

[20] In paragraph 8 of his affidavit, Mr. Soumeillan states that the Opponent owns the registered mark CAMÉLÉON & Design and the unregistered marks CAMÉLÉON and CAMELEON, subsequently referring to these marks collectively as the marks of his company. While the unregistered mark CAMELEON has not been alleged in the statement of opposition, I will accept evidence of use of the mark CAMELEON as evidence of use of the alleged unregistered mark CAMÉLÉON. Also, my subsequent use of the terms "CAMÉLÉON Marks" is meant as a reference to the evidence introduced by Mr. Soumeillan's collective reference to his company marks.

[21] Finally, part of the debate between the parties resides in their respective positions as to the protection sought by the Applicant. In a nutshell, the Opponent argues that the Web based business-to-business software associated with the Mark is a ware, not a service, and so registration of the Mark should have been sought for wares. The Applicant submits that it has properly sought registration of the Mark in association with services since its software is accessible only via the Web once the user logs in; the software is not downloadable [para. 8 of the Conte affidavit]. Without ruling on this issue at this time, I note that unless indicated

otherwise any of my references to the Applicant's software or to the software associated with the Mark are meant as a reference to the services described in the application for the Mark.

[22] I now turn to the analysis of the grounds of opposition, but not in their order of pleading. In considering the evidence, I will not be affording weight to an affiant's opinion that goes to the questions of fact and law to be determined by the Registrar in the present proceeding. Also, I will refer to the cross-examination of Mr. Conte only to the extent that it is relevant to my consideration of the evidence and the parties' submissions.

Non-Conformity to the Requirements of Section 30(i) of the Act

[23] Section 30(i) of the Act requires an applicant to include a statement in the application that the applicant is satisfied that it is entitled to use the trade-mark in Canada. Where an applicant has provided the required statement, the jurisprudence suggests that non-compliance with section 30(i) of the Act can be found only where there are exceptional circumstances that render the applicant's statement untrue, such as evidence of bad faith or non-compliance with a federal statute [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155; and *Canada Post Corporation v Registrar of Trade-marks* (1991), 40 CPR (3d) 221 (FCTD)]. Such circumstances do not exist in the present case and I therefore dismiss the ground of opposition.

Registrability Pursuant to Section 12(1)(d) of the Act

[24] Having exercised the Registrar's discretion, I confirm that registration No. TMA583,695 is extant in the name "Cameleon Software, Société Anonyme à Conseil d'Administration". The address shown on the registration is essentially the Opponent's address referenced in paragraph 2 of the affidavit of Mr. Soumeillan. Further, I am aware that "SA" is a recognized abbreviation of "société anonyme". Accordingly, I find it reasonable to infer that "Cameleon Software, Société Anonyme à Conseil d'Administration" and "Cameleon Software SA" is one and the same entity.

[25] Since the Opponent's initial burden under section 12(1)(d) of the Act has been met, the Applicant has the legal onus to show that, as of today's date, the Mark is not reasonably likely to cause confusion with the Opponent's mark CAMÉLÉON & Design registered in association with the following wares and services:

Wares: (1) *Progiciels de configuration de données techniques et commerciales; progiciels pour la gestion de données techniques, et /ou la vente assistée par ordinateur; logiciels, nommément logiciels de gestion de la relation client; documentation pour progiciels de configuration de données techniques, nommément des manuels d'utilisateurs; documentation pour progiciels pour la gestion de données techniques et/ou la vente assistée par ordinateur; nommément des manuels d'utilisateurs; documentation pour logiciels et progiciels nommément les manuels d'utilisateurs pour logiciels de configuration de données techniques et commerciales, manuels d'utilisateurs pour logiciels de gestion de la relation client.* (2) *Logiciels de commerce électronique permettant l'achat ou la vente de produits personnalisables, nommément les produits assemblés à la commande, fabriqués à la commande ou conçus à la commande, sur intranet, extranet ou Internet.*

Services: (1) *Conception, développement, mise à jour, maintenance de logiciels et de progiciels; location de logiciels et de progiciels; recherches, études techniques, consultations et conseils en matière d'installation d'ordinateurs et de systèmes informatiques, de logiciels et progiciels, recherches, études techniques, consultations et conseils en matière d'implantation d'ordinateurs et de systèmes informatiques, de logiciels et progiciels.*

[26] As per Mr. Soumeillan's affidavit, I will collectively refer to the registered wares and services as the "Wares" and the "Services".

[27] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[28] In applying the test for confusion, I must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; b) the length of time the trade-marks have been in use; c) the nature of the wares, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al* (2006), 49 CPR (4th) 401 (SCC); and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) for a thorough discussion of the general principles that govern the test for confusion.]

[29] In *Masterpiece, supra*, the Supreme Court of Canada discussed the importance of section 6(5)(e) of the Act in conducting an analysis of the likelihood of confusion at paragraph 49:

[...] the degree of resemblance, although the last factor listed in s. 6(5), is the statutory factor that is often likely to have the greatest effect on the confusion analysis [...] if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion. The other factors become significant only once the marks are found to be identical or very similar... As a result, it has been suggested that a consideration of resemblance is where most confusion analyses should start [...].

[30] Thus, I will hereafter assess the surrounding circumstances of this case, starting with the degree of resemblance between the Mark and the mark CAMÉLÉON & Design.

The degree of resemblance between the marks in appearance or sound or in the ideas suggested by them

[31] When considering the degree of resemblance between the marks, the law is clear that the marks must be considered in their totality; it is not correct to lay the trade-marks side by side and compare and observe similarities or differences among the elements or components of the marks.

[32] At the outset, I note that there is no debate that the word “caméléon” is the French equivalent of the English word “chameleon” and that the design element of the Opponent’s mark is the representation of a chameleon, i.e. “any of a family of small lizards having protruding eyes and the power of changing colour” [see *Canadian Oxford Dictionnary*].

[33] I do not intend to discuss at length the Applicant’s written submissions as to differences between the marks in sound and appearance. For one thing, a significant portion of those submissions is based on a side by side comparison of the words “camilion” and “caméléon” rather than on first impression. Furthermore, even though I agree with the Applicant that the design element dominates the mark CAMÉLÉON & Design, it has no impact on the degree of resemblance between the marks when sounded. Finally, considering the words “caméléon” and “camilion” as a matter of first impression, I agree with the Opponent that they would be pronounced similarly by an average French, English or bilingual consumer. I should add that, at the oral hearing, the Applicant ultimately acknowledged similarities between the marks in sound.

[34] Obviously, the idea suggested by the Opponent's mark is that of a lizard, as previously defined. The Applicant argues in its written argument that the ideas suggested by the marks differ because the coined word "camilion" does not suggest any idea. However, at the oral hearing, the Applicant acknowledged that there was merit to the Opponent's submissions that a French speaking consumer would perceive the word "camilion" as the word "caméléon". It follows that the idea suggested by the Mark to a French speaking consumer would therefore also be that of a lizard. As stated in *Pierre Fabre Medicament v SmithKline Beecham Corporation v* (2001), 11 CPR (4th) 1 (FCA), once there is a risk of confusion in either of the country's two official languages a trade-mark cannot be registered.

[35] In the end, I find that the section 6(5)(e) factor significantly favours the Opponent.

The inherent distinctiveness of the trade-marks and the extent to which they have become known

[36] Given a chameleon's ability to change or alter the colour of its skin, the Applicant submits that the word "caméléon" is descriptive or suggestive of one of the purposes or functions of the Opponent's software, namely to change, manipulate, configure or reconfigure information and data. I disagree. That being said, the word "caméléon" is an ordinary word of the French language whereas "camilion" is a coined word. Accordingly even though the mark CAMÉLÉON & Design possesses some measure of inherent distinctiveness in the context of the registered wares and services, the Mark possesses a greater degree of inherent distinctiveness.

[37] The strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use. Thus, I shall now consider the evidence with respect to the extent to which the trade-marks have become known in Canada.

[38] In turning to the extent to which the Mark has become known in Canada, I note that Mr. Conte provides copies of splash pages from the software associated with the Mark, including splash pages of the "Log In" page [paras. 5 and 6 of the affidavit, Exhibits 3 and 4]. I recall that the Applicant's evidence is that the software associated with the Mark is only accessible via the Web once the users logs in. Also, Mr. Conte states that the software "is entirely proprietary of

[the Applicant] and is only licensed to the user. Separate licenses are specifically drafted and executed with each licensee” [para. 7 of the affidavit].

[39] Mr. Conte states that the Applicant “has only had limited sales in Canada”, which he explains by the fact that the Applicant has focused its marketing efforts to the United States. He files a copy of an invoice “with a Canadian licensee”. The license agreement specified that all fees were to be stated in and payable in US dollars [para. 12 of the affidavit, Exhibit 6, Q128-Q132, U5]. I note that the invoice dated March 18, 2005 is for a total amount of US\$2,400.

[40] While it acknowledges the limited sales of its software in Canada, the Applicant submits that its evidence establishes that the Applicant has developed a reputation in Canada through the use of the Mark and of its trade-name. In that regard, besides the fact that it was incorporated on July 27, 2000 [para. 2 of the Conte affidavit], the Applicant relies on the following evidence provided by Mr. Conte:

- a. the Applicant has been actively engaged in Canada in the business and university community through charity fundraisers, technology associations and university recruitment activities [para. 26 of the affidavit, Exhibit 19]. I note that Mr. Conte’s cross-examination discloses that the Applicant made cash donations to charitable organizations [Q174 to Q180];
- b. the Applicant has been publicly recognized with several Canadian awards [para. 27 of the affidavit, Exhibit 20];
- c. the Applicant has been an active participant at various Canadian financial services conferences [para. 28 of the affidavit, Exhibit 21];
- d. for many years the Applicant has been an active participant in the Scientific Research and Experimental Development (SR&ED) Tax Incentive Program, which encourages Canadian business to conduct research and development in Canada. The Applicant has been recognized within this program for its technical advancements in Canada and its continued recruitment and retention of computer science professionals in Canada [para. 29 of the affidavit, Exhibit 22];
- e. industry analyst reports published by independent firms, such as Gartner, Celent, and Forrester, report on the Applicant and the Applicant’s software. These reports

are very expensive to purchase - ranging from US\$400 to US\$5,000 per report – and can only be purchased as part of an annual subscription with the independent firms - ranging from US\$15,000 to US\$40,000. The industry analyst reports are used by third parties as investigative tools in their decision as to which software is ranked in the industries [para. 38 of the affidavit, Exhibit 25, Q191]; and

- f. various articles have been written about the Applicant over the years [para. 42 of the affidavit, Exhibit 28].

[41] I am prepared to accept that the evidence relating to charity fundraisers, technology associations, university recruitment activities, participation at conferences, participation in the incentive tax program and the awards resulted in visibility for the Applicant’s business in Canada. However, I agree with the Opponent that such evidence does not amount to use of the Mark within the meaning of section 4 of the Act. Furthermore, aside from the fact that the evidence suggests that the industry analyst reports may not be widely distributed, I have no information to conclude on the extent of their distribution in Canada. Also, the Applicant did not provide evidence directed to the circulation in Canada of the magazines referenced by Mr. Conte.

[42] Mr. Conte states that the Applicant “engages in only very limited advertising and related promotional activities since it is [its] reputation and ‘word of mouth’ through independent industry analysts...and [its] successful implementation in other clients that attracts potential new clients” [para. 39 of the affidavit].

[43] Finally, Mr. Conte states that the Mark appears on every page of the Applicant’s website and files pages from the website [para. 40 of the affidavit, Exhibit 26]. However, there is no information to conclude on the extent to which the website has been accessed by Canadians. Also, it appears that four of the eight press releases, which are filed by Mr. Conte as samples of press releases concerning the Applicant’s software, originate from the United States [para. 41 of the affidavit, Exhibit 27].

[44] In turning to the extent to which the Opponent’s mark CAMÉLÉON & Design has become known in Canada, I first note that Mr. Soumeillan affirms that the Opponent, whose head office is located in France, has two subsidiaries in North America, namely Access Commerce, Inc. and Access Commerce USA, Inc.; the Opponent has licensed the use of the

CAMÉLÉON Marks in association with the Wares and Services to each of its subsidiaries since 1997. Mr. Soumeillan affirms that pursuant to the license, the Opponent has maintained control over the quality of the Wares and Services offered by each subsidiary in association with the CAMÉLÉON Marks [paras. 6 and 7 of the affidavit].

[45] Section 50(1) of the Act requires the owner to have direct or indirect control of the character or quality of the wares or services in order for the use of a trade-mark by a licensee to be deemed to be use by the owner. It is trite law that corporate structure alone is insufficient to establish the existence of a license arrangement. Section 50(1) of the Act does not require a written agreement. Evidence of control by an owner of a trade-mark can support the existence of an implied license agreement [see *Well's Dairy Inc v UL Canada Inc* (2000), 7 CPR (4th) 77 (FCTD)]. Besides having elected to not cross-examine Mr. Soumeillan, the Applicant has not taken the position that use of the CAMÉLÉON Marks by the Opponent's subsidiaries did not meet the requisite criteria set out in section 50 of the Act. In these circumstances, I find it reasonable to give full weight to Mr. Soumeillan's statements and to accept his affidavit as sufficient to establish that the use of the CAMÉLÉON Marks by its North American subsidiaries enured to the benefit of the Opponent.

[46] Mr. Soumeillan states that the CAMÉLÉON Marks have been used in Canada since at least as early as August 1997 in association with Wares (1) and with the Services, and since May 27, 2003 in association with Wares (2) [para. 9 of the affidavit]. Mr. Soumeillan files excerpts of the Opponent's website at *www.cameleon-software.com* as well various corporate and informative brochures used in Canada and pertaining to the Wares and Services [para. 10 of the affidavit, Exhibits TDB-4 to TDB-13]. I have not been provided with any details as to how many Canadians have accessed the website, nor with any details to conclude on the extent of the distribution or circulation of the corporate and informative brochures.

[47] Mr. Soumeillan provides copies of the software packaging (in French, "*l'emballage de logiciel*") used since 1997 and of a package (in French, "*un colis*") used by the Opponent for shipping the software to its clients [paras. 18 and 19 of the affidavit, Exhibits TDB-20 and TDB-21].

[48] Mr. Soumeillan provides the Canadian sales figures of the Wares and Services associated with the CAMÉLÉON Marks for the years 1998 to 2009, broken down on a yearly basis; these sales figures totaled approximately \$1,322,121 [paras. 14 and 17 of the affidavit].

Mr. Soumeillan provides copies of representative invoices and purchase orders related to the sales of the Wares and Services associated with the CAMÉLÉON Marks [paras. 15 and 16 of the affidavit, Exhibits TDB-18 and TDB-19]. I note that the invoices cover the years 1998 through 2009; the purchase orders cover the years 1997 through 2001. I note that the address of Access Productique Inc., whose name appears on invoices and purchase orders for the years 1997 to 2000, is the same as the address of Access Commerce Inc., whose name appears on subsequent invoices and purchase orders. I find it reasonable to infer that Access Productique Inc. is the former name of Access Commerce Inc., one of the Opponent's North American subsidiaries.

[49] The Opponent's sales figures have been discussed at length by the Applicant both in written and oral arguments. In a nutshell, the Applicant submits that except for the years 2001 to 2003, the annual sales figures were "virtually insignificant", "have stagnated", and in the four years preceding the opposition, they "have seriously declined to the point of being almost inconsequential". Hence, the Applicant submits that it is not possible to ascribe any significant reputation to the Opponent in Canada based on its sales figures.

[50] In addressing the Applicant's submissions, I note that the issue is not whether the Opponent has become known in Canada, but rather whether its mark CAMÉLÉON & Design has become known. I acknowledge that the Opponent's sales figures that amounted to \$605,255, \$419,435 and \$120,943 for the years 2001, 2002 and 2003 respectively declined to \$29,182 in 2004; the sales figures were less than \$20,000 in each of the years 2005, 2006, 2007 and 2009. Nonetheless, based on the evidence of record, it is certainly fair to conclude that whatever the extent to which the mark CAMÉLÉON & Design may have become known in Canada, it has become known to a greater extent than the Mark.

[51] In the end, I conclude that the Mark possesses a greater degree of inherent distinctiveness but that the mark CAMÉLÉON & Design has become known to a greater extent in Canada. Hence, I find that the overall consideration of the section 6(5)(a) factor does not favour either party.

The length of time each trade-mark has been in use

[52] The Applicant does not debate that the Opponent has shown use of the mark CAMÉLÉON & Design in Canada from 1998 to 2009. However, it contends that the underlying issue in the consideration of the section 6(5)(b) factor is not whether the mark “has been used over a lengthy period, *per se*, but whether it has received wide acceptance in the eyes of the public during that use, whether it has acquired a reputation”. The Applicant’s contention is incorrect. What is to be considered is the length of time for which the Opponent has evidenced use of its mark CAMÉLÉON & Design in Canada pursuant to section 4 of the Act.

[53] While the Mark was applied for registration on December 19, 2008 based on proposed use, the Applicant’s evidence establishes that the Mark would have been used in Canada in 2005 [Exhibit 6 to the Conte affidavit]. That said, nothing turns on whether the filing date of the application for the Mark or the date of first use established by the evidence should be considered when assessing the likelihood of confusion under section 12(1)(d) of the Act since the Opponent is anyway favoured by the section 6(5)(b) factor.

The nature of the wares, services or business; the nature of the trade

[54] It is the statement of services in the application for the Mark and the statement of wares and services in the Opponent’s registration that govern the assessment of the likelihood of confusion under section 12(1)(d) of the Act [see *Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); and *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)]. 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 *McDonald’s Corp v Coffee Hut Stores Ltd* (1996), 68 CPR (3d) 168 (FCA), at 169].

[55] The Applicant submits that the differences between the nature and purposes of the parties’ software and the nature of the parties’ trade support a finding of no likelihood of confusion, as do the expensive nature of the parties’ software and the fact that the Applicant’s software is not casually purchased. By contrast, the Opponent submits that there are no

distinctions between the purposes or functions of the parties' software, that they may be offered to the same clientele, and that the cost of the parties' software is not a significant circumstance. While each party lengthily argued in favour of its respective positions, even more so in the case of the Applicant, I do not intend to go into the detail of these submissions. Rather I will summarize the parties' submissions, be it written or oral, in assessing the sections 6(5)(c) and (d) factors.

[56] At the outset, I agree with the Applicant that it was found in *Unisys Corp v Northwood Technologies Inc* (2002), 29 CPR (4th) 115 (TMOB) that the purpose of a computer program may be sufficient to distinguish one computer product from another. However, the issue of confusion between the Mark and the mark CAMÉLÉON & Design is a question of probabilities and surrounding circumstances based on the particular facts of this case. In other words, each case has to be decided based upon its own merit.

[57] The Applicant submits that the one and only purpose of its "library" software is to allow large financial services corporations to have a single, central electronic library that contains all the information that makes up their products whereas the Opponent's software is a front-end sales configuration tool. To support its contention as to the nature of the Opponent's software, the Applicant refers to Exhibits TDB-10 and TDB-12 to the affidavit of Mr. Soumeillan and the following statement at paragraph 11 of his affidavit: "*Les logiciels et progiciels de Ma Compagnie permettent à nos clients de faire la mise en marche [sic] de leurs propres produits et services et en conséquence d'augmenter leurs ventes...*" As for the Opponent, it submits that both parties' software provide the capacity to organize or configure information as per the need of the ultimate end-users.

[58] Having considered the parties' submissions, I find it reasonable to conclude that the software associated with the Mark serves the same purpose as the Wares (1) described as "*progiciels de configuration de données techniques et commerciales*" (translation: software packages for the configuration of technical and commercial information) associated with the mark CAMÉLÉON & Design, that is to organize information.

[59] In turning to the nature of the trade, I note that Mr. Conte states in paragraph 17 of his affidavit that the Applicant's exclusive market is "financial services companies, namely banks,

financial institutions and insurance companies”. In paragraph 18 of his affidavit, Mr. Conte identifies current customers of the Applicant, which are “some of the world’s largest financial services organizations”. On cross-examination, Mr. Conte testifies that according to his understanding, the organizations listed in his affidavit are “financial services organizations” and “insurance companies and banks all fall within the financial services group” [Q160-Q162].

[60] The Opponent submits that there is an overlap in the channels of trade associated with the marks in issue because the evidence establishes that its Wares and Services are also targeted the financial and insurance industries [paras. 20 and 21 of the Soumeillan affidavit, Exhibits TDB-22 to TDB-24]. The Applicant made several submissions with respect to the Opponent’s evidence directed to the financial and insurance sectors, which I am summarizing as follows: (i) insurance companies do not appear to be the Opponent’s target market in Canada, or in North America for that matter; (ii) the Opponent’s evidence, which cover a thirteen-year period, shows that industrial and manufacturing companies are its core business sector in Canada; (iii) although the statement of wares and services of registration No. TMA583,695 is not restricted to a particular sector, it must be concluded from the evidence that the insurance or financial sector is a “possible” trade of the Opponent, not a “probable” trade; and (iv) even if the software associated with the mark CAMÉLÉON & Design can be sold to the insurance sector, the nature of the Opponent’s software remains a front-end sales tools.

[61] The Applicant did not convince me that the insurance or financial sector is not a “probable” trade of the Opponent. For one thing, while the Applicant could have cross-examined Mr. Soumeillan to clarify why the document entitled *Projet d’implémentation “Amérique du Nord”* dated November 25, 1997, filed as Exhibit TDB-2 , does not identify the insurance and financial sectors as targeted markets, the Applicant elected to forego cross-examination. In any event, even if I acknowledge that the document filed as Exhibit TDB-2 does not identify the insurance and financial sectors as markets targeted by the Opponent in 1997, it remains that Exhibit TDB-4 to the affidavit of Mr. Soumeillan references product development solutions for insurance and other financial services organizations.

[62] Having considered the parties’ submissions, I agree with the Opponent that there is an overlap in the nature of the trade associated with the marks in issue.

[63] Finally, I agree with the Applicant that the software associated with the Mark is highly expensive since the evidence establishes that the total license fees for the Applicant's software range from US\$250,000 to US\$6.1 million [paras. 20 to 22 of the Conte affidavit]. I also agree with the Applicant that its evidence establishes that the purchase decision for its software is exacting and lengthy [paras. 31 to 33 of the Conte affidavit]. However, at paragraph 67 of *Masterpiece, supra*, Mr. Justice Rothstein confirmed that although consumers in the market for expensive goods may be less likely to be confused, the test is still one of "first impression".

Mr. Justice Rothstein continued at paragraphs 70-71:

70. The focus of this question is the attitude of a consumer in the marketplace. Properly framed, consideration of the nature of the wares, services or business should take into account that there may be a lesser likelihood of trade-mark confusion where consumers are in the market for expensive or important wares or services. The reduced likelihood of confusion is still premised on the first impression of consumers *when they encounter* the marks in question. Where they are shopping for expensive wares or services, a consumer, while still having an imperfect recollection of a prior trade-mark, is likely to be somewhat more alert and aware of the trade-mark associated with the wares or services they are examining and its similarity or difference with that of the prior trade-mark. A trade-mark, as Binnie J. observed in *Mattel*, is a shortcut for consumers. That observation applies whether they are shopping for more or less expensive wares or services.

71. It is not relevant that, as the trial judge found, consumers are "unlikely to make choices based on first impressions" or that they "will generally take considerable time to inform themselves about the source of expensive goods and services" (para. 43). Both of these — subsequent research or consequent purchase — occur *after* the consumer encounters a mark in the marketplace.

[64] Having regard to the foregoing, I find that the overall consideration of the section 6(5)(c) and (d) factors favours the Opponent.

Additional surrounding circumstance: no evidence of actual confusion

[65] The Applicant's submissions advance the absence of evidence of actual confusion as an additional surrounding circumstance supporting a finding of no likelihood of confusion. More particularly, the Applicant submits that it has conducted business in Canada since 2000 and did not encounter any instances of actual confusion between the marks at issue [para. 43 of the Conte affidavit].

[66] It has often been said that an opponent does not need to prove instances of confusion. The burden is on an applicant to demonstrate the absence of likelihood of confusion. Absence of evidence of confusion does not relieve an applicant from its burden of proof. Nevertheless, an adverse inference may be drawn from the lack of evidence of actual confusion where the marks have coexisted for a long period of time [see *Mattel, supra* at p 347]. For the reasons that follow, I find the lack of actual instances of confusion to be of no significance.

[67] I am not prepared to conclude from the evidence as introduced by Mr. Conte that the Applicant has been extensively conducting business in Canada since its incorporation on July 27, 2000. Further, even if I have previously mentioned that the Applicant's evidence establishes that the Mark would have been used in Canada in 2005, clearly the evidence fails to establish extensive use of the Mark. I find it worthwhile to recall that the following statements Mr. Conte at paragraph 12 of his affidavit sworn December 10, 2010: "To date, [the Applicant] has focused its marketing and sales efforts of its software under the [Mark] to the United States market. For that reason, [the Applicant] has had only limited sales in Canada [...]."

Additional surrounding circumstance: Opponent's failure to oppose registration of third party marks

[68] The Applicant's submissions suggest that in considering the additional surrounding circumstances of the present case, I should afford significance to the fact that the Opponent did not oppose third party applications for registration of the trade-marks CAMELEAN and KAMELEON in association with software [para. 44 of the Conte affidavit, Exhibit 29]. I disagree. Aside from the fact that this would require speculating as to why the Opponent did not oppose the registration of these marks, this is not relevant in the determination of the likelihood of confusion between the marks in issue in the present proceeding.

Conclusion on the likelihood of confusion

[69] The legal onus rests on the Applicant to show that, as of today's date, the Mark is not reasonably likely to cause confusion with the Opponent's mark CAMÉLÉON & Design. This means that the Applicant must prove that the absence of confusion is more probable than its existence.

[70] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. In weighing all of the factors enumerated at section 6(5) of the Act and their relative importance together, I arrive at the conclusion that the Applicant has not discharged the legal onus resting upon it to establish that the Mark is not reasonably likely to cause confusion with the mark CAMÉLÉON & Design of registration No. TMA583, 695.

[71] Having regard to the foregoing, the ground of opposition based upon section 12(1)(d) of the Act is successful.

[72] I wish to add that even if I had agreed with the Applicant's position as to differences between the exact nature and purposes of the parties' software, this would have been but one of the surrounding circumstances to be considered. Given the degree of resemblance between the marks, I would have concluded that the probabilities of confusion between the Mark and the mark CAMÉLÉON & Design were evenly balanced. In view of the legal onus on the Applicant to prove that the absence of confusion is more probable than its existence, I would still have decided against the Applicant.

Non-Entitlement Pursuant to Section 16(3)(a) of the Act.

[73] I am satisfied that the Opponent has discharged its initial burden of proving that each of the trade-marks CAMÉLÉON and CAMÉLÉON & Design was used in Canada prior to the filing date of the application and had not been abandoned at the date of advertisement of the application for the Mark [section 16(5) of the Act].

[74] Assessing each of the section 6(5) factors as of December 19, 2008 rather than as of today's date does not significantly impact my previous analysis of the surrounding circumstances of this case. In fact, when comparing the Mark and the word mark CAMÉLÉON, the Opponent's case under this ground of opposition is even stronger.

[75] Having regard to the foregoing, I find that the section 16(3)(a) ground of opposition is successful for reasons similar to those expressed in regard to the section 12(1)(d) ground of opposition.

Remaining Grounds of Opposition

[76] As I have already accepted the opposition under two grounds, I will not address the grounds of opposition based upon non-conformity to the requirements of sections 30(a) and 30(e) of the Act, non-entitlement pursuant to section 16(3)(c) of the Act and non-distinctiveness.

Disposition

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

Céline Tremblay
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office