



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

Citation: 2015 TMOB 234
Date of Decision: 2015-12-24

IN THE MATTER OF AN OPPOSITION

9022-5814 Quebec Inc.	Opponent
and	
LOC Enterprises, LLC	Applicant
1,604,619 for LOC	Application

[1] On November 30, 2012, the Applicant filed an application for the trade-mark LOC (the Mark) based on use in Canada since at least as early as October, 2012 in association with the following services: administration of a customer loyalty program which provides for consumer access, use and tracking of a plurality of individual loyalty programs.

[2] The application also claims a priority date of August 6, 2012 based on a corresponding application filed in the U.S. in association with the same services.

[3] The Mark was advertised in the *Trade-marks Journal* on August 28, 2013.

[4] On October 27, 2013, the Opponent filed a statement of opposition against the registration of the Mark. The Opponent only alleged one ground of opposition – that the Applicant is not the person entitled to registration of the trade-mark under section 16 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) because at the Applicant’s claimed date of first use in Canada the Mark was confusing with the Opponent’s LOC trade-mark that had been

previously used in Canada by the Opponent in association with various goods and services as set out in Schedule “A” attached hereto (the Opponent’s Goods and Services).

[5] The Applicant filed and served its counter statement on December 20, 2013.

[6] As its evidence, the Opponent filed the affidavit of Stephan Mercier.

[7] The Applicant filed as its evidence the affidavit of Lama Abi Khaled.

[8] Neither affiant was cross-examined.

[9] Both the Applicant and the Opponent filed written arguments and both attended an oral hearing.

Preliminary Issues

Grounds of opposition as pleaded

[10] In its written argument, the Opponent submits that since its application No. 1,610,857 referred to above in Schedule “A” for the trade-mark LOC matured to registration on April 14, 2014, “a further ground of opposition is that the Applicant’s trade-mark is not registrable in that it is confusing with a registered trade-mark”. The Opponent also submits that the Applicant is not the person entitled to registration of the Mark because it is confusing with the Opponent’s trade-name that had been previously used in Canada pursuant to section 16(1)(c) of the Act.

[11] In view that neither of these grounds was pleaded in the Opponent’s statement of opposition, they cannot be considered [*Imperial Developments Ltd v Imperial Oil Ltd*, 79 CPR (2d) 12].

Additional evidence submitted by the Opponent at the oral hearing

[12] At the oral hearing, the Opponent’s agent tried to file pages from the Applicant’s website as evidence. He submitted that since the Applicant’s affiant Ms. Khaled submitted several screen captures from the Applicant’s website located at *www.locenterprisesllc.com* as exhibits to her

affidavit, all extracts from the Applicant's website should be considered part of the evidence. The Applicant's agent objected to the filing of this document.

[13] I disagree with the Opponent's agent that this document is admissible as evidence. In addition to not properly requesting leave to submit this evidence pursuant to section 44 of the *Trade-mark Regulations*, SOR /96-195, the Opponent did not even submit this document in proper form (i.e. by way of affidavit or statutory declaration or in accordance with section 54 of the Act). The document filed by the Opponent at the oral hearing has therefore not been made of record.

Is the Applicant the person entitled to registration of the Mark?

[14] The Opponent submits that the Applicant is not the person entitled to registration of the Mark in view of the Opponent's trade-mark LOC, which had previously been used in Canada by it since at least as early as January 1, 1998, in association with the Opponent's Goods and Services.

[15] With respect to this ground of opposition, there is an initial burden on the Opponent to evidence use of its trade-mark prior to the Applicant's date of first use (i.e. October 31, 2012). In addition, section 16(5) of the Act place a burden on the Opponent to establish non-abandonment of its mark as of the date of advertisement of the Applicant's application, namely August 28, 2013.

[16] In support of this ground of opposition, the Opponent filed the affidavit of Stephan Mercier, President and legal representative of the Opponent, 9022-5814 Quebec Inc. (d.b.a. LOC Software). I have summarized the contents of Mr. Mercier's affidavit in the paragraphs which follow.

[17] Mr. Mercier states that the trade-mark LOC has been used continuously in Canada by the Opponent in association with its Goods and Services since at least as early as January 1, 1998. He provides invoices which he states evidence the sale of LOC Goods and Services for every year since June 1993 as Exhibit SM-1.

[18] He further states that the Opponent's trade-mark has become well known in Canada in association with the Opponent's Goods and Services through sales in all regions of Canada to approximately 4,000 businesses including gas stations, restaurants, hotels, and other retail stores (paras 7-9; Exhibits SM-1 and SM-3)

[19] At paragraph 10 of his affidavit Mr. Mercier states that for many of the businesses that the Opponent has sold its Goods and Services to, the Opponent has provided customized development of integrated loyalty programs, a typical example of which is evidenced by the statement of work attached to his affidavit as Exhibit SM-5. The loyalty program referred to in Exhibit SM-5 is the "Yay! Card" program and this is a specific example from one customer of the services provided by the Opponent in relation to loyalty programs.

[20] The Applicant's agent raised a number of issues with the Opponent's evidence. For one, the Applicant notes that while the invoices attached to Mr. Mercier's affidavit list various specialty components of the software being sold by the Opponent (referred to in the invoice as modules), they do not list a specific loyalty management module. The Applicant also notes that the invoices do not show the trade-mark LOC but instead show use of a composite mark which includes the letters LOC and a design element, along with the words "Store Management Suite". Finally, the Applicant submits that the statement of work attached as Exhibit SM-5 to Mr. Mercier's affidavit does not show use of the Opponent's LOC trade-mark nor shows use by the Opponent as the seller is identified as LOC Software and not 9022-5814 Quebec Inc.

[21] I agree with the Applicant that Mr. Mercier's evidence is not as clear as it could be. In this regard, it would have been helpful if Mr. Mercier had clearly explained in his affidavit how the items listed in the invoices show use of the Opponent's Goods and Services in association with the Mark pursuant to sections 4(1) and 4(2) of the Act. However, as noted by the Opponent, if the Applicant had questions about Mr. Mercier's evidence the Applicant had the opportunity to cross-examine Mr. Mercier but it chose not to. For the reasons that follow, I am satisfied from Mr. Mercier's evidence as a whole that the Opponent has met its burden under this ground with respect to at least its computer software goods for the following reasons.

[22] Considering first the Applicant's second argument, most of the invoices attached to Mr. Mercier's affidavit display the name Loc Software with an address in the top left corner along with the following words and design element in the top right corner:



[23] In considering whether use of the above mark constitutes use of the Opponent's mark, I must compare the mark as claimed to have been used by the Opponent with the mark above and determine whether the differences between the two are so inconsequential that an unaware purchaser would likely infer that both, despite their differences, identify goods having the same origin [*Canada (Registrar of Trade Marks) v Cie Internationale pour l'informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA) at 525]. In deciding this, it is necessary to determine whether the "dominant features" of the mark have been preserved [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)].

[24] I am satisfied that the use shown is use of the Opponent's LOC mark. In this regard, the mark LOC appears in large bolded letters along with a design above the descriptive words "Store Management Suite". While the mark LOC does appear with a geometric design element in the same size and type of font as the letters LOC, the use of a word mark can be supported by the use of a composite mark featuring the word mark and other elements provided that the public would perceive the trade-mark being used as LOC "per se". I therefore agree with the Opponent that the commercial impression to the consumer is that the mark being used by it is LOC.

[25] Considering next the Applicant's first argument, the Opponent's agent explains that the Opponent's software includes a built in loyalty program. That is, the software includes modules or functionality within it that can be customized to include a loyalty program depending on the customer's request or requirements. The invoices clearly show sales of "SMS Basic Software" which the Opponent has explained is the Opponent's Store Management Suite software. Further,

an example of a customer loyalty program being offered to a consumer as part of the Opponent's software package is attached to Mr. Mercier's affidavit as Exhibit SM-5. I am therefore satisfied from the evidence as a whole that the Opponent has shown use of its trade-mark in association with computer software for the management of retail store operations including loyalty programs.

[26] With respect to the third argument put forward by the Applicant regarding the evidence of Mr. Mercier, I agree with the Applicant that the statement of work attached as Exhibit SM-5 does not, by itself, show use of the Opponent's LOC mark by the Opponent of record. All that is stated under the heading "Version" is as follows: "The listed above services will be done and tested on a Loc Store Management Suite version package". Further, the seller is identified as LOC Software and not 9022-5814 Quebec Inc.

[27] The Opponent's evidence, however, must be considered as a whole. The Opponent has pointed out that the first page of Mr. Mercier's affidavit states at the top that the affidavit is filed on behalf of the Opponent, *d.b.a. LOC Software*. Further, almost all of the invoices attached to Mr. Mercier's affidavit display Loc Software in the top left corner of the invoice, above the same address for the Opponent that is the Opponent's address of record. It is therefore clear from the evidence that Loc Software is the Opponent's trade-name and I have already found that the invoices show use of the Opponent's LOC trade-mark. I am therefore satisfied that the statement of work further supports Mr. Mercier's statement that the Opponent's has used its LOC trade-mark in association with computer software for the management of retail store operations including loyalty programs.

[28] As I am satisfied that the Opponent has met its evidential burden under this ground, I must now assess whether the Applicant has met its legal onus. The Applicant bears the legal onus of establishing, on a balance of probabilities that its application complies with the requirements of the Act.

[29] The section 16(1)(a) ground of opposition turns on the issue of the likelihood of confusion between the Mark and the Opponent's LOC mark.

test for confusion

[30] The test for confusion is one of first impression and imperfect recollection. In applying the test for confusion, the Registrar 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 each has been in use; c) the nature of the goods, 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.

[31] This list of enumerated factors is not exhaustive and it is not necessary to give each one of them equal weight [see, in general, *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); and *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC)]. In *Masterpiece Inc v Alavida Lifestyles Inc et al* (2011), 92 CPR (4th) 361 (SCC) , the Supreme Court of Canada clearly indicated that the most important factor amongst those listed under section 6(5) of the Act is often the degree of resemblance between the marks.

Section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known

[32] Both parties' marks possess some degree of inherent distinctiveness as they are each comprised of coined words that are not suggestive of their associated goods or services.

[33] A mark can also acquire distinctiveness through promotion and use. In this case, the Opponent's evidence shows that the Opponent has used the trade-mark LOC continually in Canada since at least January 1, 1998 [Mercier, paras 4,5 and 7; Exhibits SM-1 and SM-3]. The Opponent has sold its Goods and Services in association with the LOC trade-mark to approximately 4,000 businesses in all regions of Canada [Mercier, paras. 8 and 9; Exhibit SM-4]. From the Opponent's evidence, I am prepared to find that the Opponent's mark has become known to some extent in Canada.

[34] With respect to the Applicant's Mark, the only evidence put forward from the Applicant is the affidavit of Ms. Khaled, a lawyer with the Applicant's agent. Ms. Khaled

searched and printed pages from the Applicant's website. While this evidence provides background about the Applicant and describes the services it offers in association with the Mark, this evidence by itself is insufficient to show any use or making known of the Mark in Canada.

[35] I therefore find that, overall, this factor favours the Opponent.

Section 6(5)(b) - the length of time each trade-mark has been in use

[36] As set out in more detail above, the Opponent has shown use of its mark since 1998 whereas the Applicant has not filed any evidence of use of the Mark. This factor therefore also favours the Opponent.

Sections 6(5)(c) and (d) - the nature of the goods, services or business; the nature of the trade

[37] The applied for services are "administration of a customer loyalty program which provides for consumer access, use and tracking of a plurality of individual loyalty programs" whereas the Opponent's goods, as described by Mr. Mercier, are computer software, namely software for the management of retail store operations including merchandising and inventory controls, fully integrated loyalty programs, multi store management and point of sale transactions processing. The Opponent's services are described by Mr. Mercier as "assistance with the management of commercial enterprises, including through card based and cardless based fully integrated loyalty programs and customer management tools, systems and programs".

[38] The Applicant submits that the parties' services are different. In this regard, the Applicant submits that it is providing an actual loyalty program to consumers where a single program or card can be used to accumulate benefits from a multitude of loyalty programs. Exhibit B of the Khaled affidavit, for example, shows a screen capture of the Applicant's website wherein the following is written under the heading "mission": "provide the consumer with a single website, a single card, and user id that can be used to access and manage all aspects of "any" loyalty, gift or membership program while protecting the consumer's privacy at all times." The Applicant submits that this is in contrast to the Opponent's evidence which shows that it has sold its Goods and Services in association with its trade-mark to approximately 4000 businesses in Canada.

[39] The Applicant further submits that it is clear that the Applicant's services are targeted to consumers and users of loyalty programs, whereas the software and development of the Opponent is targeted to merchants and retailers seeking software and support to accommodate a loyalty program. As such, the Applicant submits that the channels of trade are different since one is offered to retailers and merchants while as the other is offered to consumers.

[40] The Opponent, on the other hand, submits that both the Applicant and the Opponent are doing the same thing. In this regard the Opponent maintains that loyalty programs help stores, franchises, etc. in maintaining customer loyalty and in providing some benefit to the end user or customers. While the Opponent provides the loyalty program to the retailers, these loyalty programs are used by consumers.

[41] I agree with the Opponent that the parties' services are at least related insofar as both parties' services include the administration or management of a consumer loyalty program.

[42] With respect to the parties' channels of trade, I understand that the Applicant's services provide the consumer with a single website, card and user id that can be used to access and manage all aspects of any loyalty program. The Applicant's evidence also shows, however, that the LOC Card is a universal loyalty card for both consumers and merchants. In this regard, the screen capture attached as Exhibit E to Ms. Khaled's affidavit shows that LOC allows the merchant to focus on the consumer and provide an easy method to engage and communicate with the consumer. LOC also eliminates many of the costs and logistical issues associated with a merchant branded card. Also, since the LOC card is free to consumers, as noted by the Opponent, it would not work without the participation and cooperation of the merchants. I therefore find that the parties' channels of trade could overlap.

section 6(5)(e) - the degree of resemblance between the marks in appearance, sound and ideas suggested

[43] The parties' marks are identical in all respects.

Conclusion

[44] The issue is whether a consumer who has a general and not precise recollection of the Opponent's mark, will, upon seeing the Applicant's mark, be likely to think that the related goods and services share a common source. I find that a consideration of all the surrounding circumstances leads me to conclude that, on a balance of probabilities, there is a reasonable likelihood of confusion between the marks as of the Applicant's date of first use. I reach this conclusion based on the fact that the parties' marks are identical, there is an overlap between the parties' services and channels of trade, and the distinctiveness acquired by the Opponent's mark through use. The section 16(1)(a) ground is therefore successful.

Disposition

[45] In view of the above, and 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.

Cindy R. Folz
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

**Schedule A – Opponent’s Good and Services
(as described in its application No. 1,610,857)**

Goods:

Computer software, namely software for the management of retail store operations, including merchandising and inventory controls, fully integrated loyalty programs, multi-store management and point-of-sale transactions processing

Services:

Assistance with the management of commercial enterprises, including through card based and cardless based fully integrated loyalty programs and customer management tools, systems and programs

Computer software development and programming in the field of the management of retail store operations

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE: 2015-12-08

APPEARANCES

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