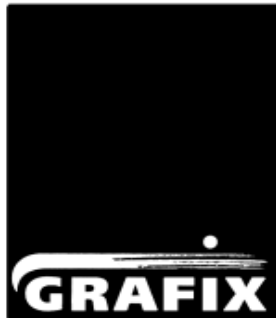


**IN THE MATTER OF AN OPPOSITION by
A.B. Dick Company to Application
No. 1,053,781 for the trade-mark GRAFIX &
Design in the name of Platsch GmbH & Co.
KG**

On April 3, 2000, Hans Platsch, trading as Grafix Hans Platsch, filed an application to register the trade-mark GRAFIX & Design (the “Mark”), as illustrated hereafter, claiming priority of a corresponding application filed in Germany on October 27, 1999.



Colours are claimed as a feature of the Mark: the word GRAFIX and the dot on letter I are white, the line above the word GRAFIX is light blue, all being on a dark blue background.

The application is based on the dual basis of proposed use in Canada and registration and use in Germany in association with the following wares and services:

Wares: power operated machines for generating gas-powder mixtures and gas-liquid mixtures; power operated machines for applying powder and liquid to the surface of sheet material and of three-dimensional products; power operated machines for recovering powder from gas-powder mixtures and for recovering liquid from gas-liquid mixtures; hot air and infra-red as well as UV drying apparatus for the drying of surface coated sheet material (the “Wares”).

Services: services of an engineer in the field of applying powder and liquids to surfaces of sheet material and three-dimensional products as well as in the field of drying printing inks (the “Services”).

On January 25, 2002, the Registrar of Trade-marks issued a notice confirming the recordal of Platsch GmbH & Co. KG as owner of the application following an assignment executed on December 11, 2001. Unless indicated otherwise, I shall use throughout the term “Applicant” to refer to owner of the application at the relevant time.

The application was advertised in the *Trade-marks Journal* of April 10, 2002. A statement of opposition was filed by A.B. Dick Company (the “Opponent”) on September 10, 2002. The Applicant’s counter statement was filed on December 11, 2002.

On May 25, 2004, the Opponent was granted leave to file an amended statement of opposition dated July 14, 2003. The Opponent added specific reference to the Services, which were not referenced in the original statement of opposition due to an oversight. In preamble to the grounds of opposition, the Opponent alleges that the Mark is dominated by the word “grafix”, which is phonetically identical to the word “graphics” and would also be seen and perceived as a corruption of the word “graphics”. The Opponent further alleges that the Wares and Services are used in the field of graphics and/or have graphical application. The grounds of opposition can be summarized as follows:

1. The Mark is not registrable pursuant to s. 12(1)(b) of the *Trade-marks Act* R.C.S. 1985, c. T-13 (the “Act”) because it is either clearly descriptive or deceptively misdescriptive of the character or quality of the Wares and Services, or of the conditions of production of the Wares or of their place of origin, or the persons employed in the production of the Wares and Services.
2. The Mark is not distinctive of, nor is it adapted to distinguish, the Applicant or the Wares or Services.
3. The application does not comply with the requirements of s. 30(d) of the Act in that the Mark has not been both used and registered in Germany for all the Wares or Services.

Each party has filed evidence, written arguments and was represented at the oral hearing.

Opponent’s evidence

The evidence consists of affidavits from employees of the Applicant’s former trade-mark agents, namely: Shelley Jones, a trade-mark agent, Karen E. Thompson, a trade-mark searcher, Jean-Charles Grégoire, a summer student and Iain Beaudoin, a summer student. The Opponent

obtained an order for the cross-examination of Mr. Beaudoin, but it did not conduct the cross-examination.

Affidavit of Shelley Jones

Ms Jones introduces into evidence the results of her Internet searches conducted in July 2003 for locating representative examples of use of the words “graphics” and its phonetic equivalents “grafix” and “graphix” in association with various products or services, including examples of these words used or appearing in proximity with the word “print”. She provides the summaries of her search results and copies of representative pages downloaded from various located websites. In my view, the copies of website pages prove, at the utmost, that the sites existed on the World Wide Web at the time of the searches.

Affidavit of Karen E. Thompson

Ms Thompson introduces into evidence the results of her search of the *CD NameSearch* database conducted on July 2, 2003 with respect to pending and registered trade-marks incorporating the word “graphics” or “grafix” for products and services. She states that her search turned up 137 trade-marks of which 111 are registered or allowed.

Affidavit of Jean-Charles Grégoire

Mr. Grégoire introduces into evidence excerpts from various dictionaries, including *The Canadian Oxford Dictionary*, for definitions of the word “graphics”.

Affidavit of Iain Beaudoin

Mr. Beaudoin introduces into evidence the results of his searches of the on-line telephone directory Canada 411 conducted in July 2003 for locating businesses whose names incorporate the word “grafix” (Exhibit A), “graphix” (Exhibit C) and “graphics” (Exhibit D). I would remark that in view of the identified street addresses, it is apparent that some business names are listed more than once in the same exhibit. Mr. Beaudoin states having telephoned the businesses listed in Exhibit A (45 entries) to determine whether they were in the printing business and how long they had been in business. He provides a summary of his investigations’ results (Exhibit B) and states that at least 11 of these businesses have been operating for ten years or more. I do not

afford any weight to Mr. Beaudoin's testimony based on the results of telephone conversations, as it constitutes hearsay evidence.

Mr. Beaudoin introduces into evidence copies of three United States patents for "Device for spraying powder", "Powder-dusting apparatus" and "Dryer unit" respectively. Even if Hans G. Platsch is identified as inventor in each case, there is no evidence supporting the Opponent's submissions that these patents relate to the Wares. In any event, I am not in a position to interpret the meaning of a patent.

Finally, Mr. Beaudoin files a copy of an extract from the *McGraw-Hill Encyclopaedia of Science and Technology*, 9th edition, pertaining to "printing" and a copy of an extract from a text entitled *Offset Lithographic Technology*, which were both obtained at the Ottawa Public Library on or about July 2003.

Applicant's evidence

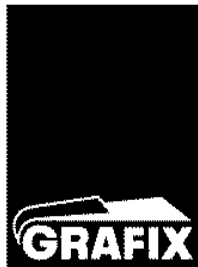
The evidence consists of an affidavit of Hans P. Platsch. He has been the Managing Director of Platsch GmbH & Co. KG since January 2001. He has also been the Managing Director of Grafix Zerstäubungstechnik GmbH, also known as Grafix GmbH, since 1982 ("Grafix GmbH"). He is the main shareholder of Platsch GmbH & Co. KG and of Grafix GmbH.

Paragraph 2 of the affidavit reads as follows:

2. *Up until August 27, 2001, I was trading under the names Grafix and Grafix Hans Platsch and I was the owner of the trade-mark GRAFIX (hereinafter referred to as the "Applicant's predecessor"). This firm held all the industrial property rights of my business. The production and commercialization of the products was through Grafix Zerstäubungstechnik GmbH (also known as Grafix GmbH) of Kupferstrasse 40, D-70565 Stuttgart, Germany. In 2001 I decided to transfer all the industrial property rights owned by Grafix Hans Platsch to the Applicant.*

The Opponent argues that there is some ambiguity in Mr. Platsch asserting personal ownership of the trade-mark GRAFIX, but then referring to "this firm" holding "all the industrial property rights of my business". However, I find it reasonable to infer that Mr. Platsch's reference to "this firm" is a reference to himself doing business under the names Grafix and Grafix Hans Platsch as predecessor in title of Platsch GmbH & Co. KG.

Mr. Platsch provides a Certificate of Authenticity of Registration No. TMA507,663 for the trademark GRAFIX & Design (the “registered mark”) in association with “powder applying applicators for applying powder to the surface of sheet material for use in printing machines; generators for producing gas/powder mixtures; printing machine parts, namely hot air and infrared drying units for use in drying layers of sheet materials”. Mr. Platsch also provides the particulars of the application for the Mark. He states that both the Mark and the registered mark, which is illustrated hereafter, were assigned to the Applicant on August 27, 2001.



I note that I would accept that evidence of use of the registered mark within the meaning of s. 4 of the Act amounts to evidence of use of the Mark [see *Canada (Registrar of Trade Marks) v. Cie internationale pour l'informatique CII Honeywell Bull, S.A.*, (1985), 4 C.P.R. (3d) 523 (F.C.A.) and *Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R. (3d) 535 (T.M.O.B.)].

Mr. Platsch provides particulars of registrations for the Mark in countries other than Canada, including a certified copy of German Registration No. 399 67 266 (Exhibit B-02) and an English translation of same (Exhibit B-05).

At paragraph 11 of his affidavit, Mr. Platsch states that the Wares primarily cover two fields of printing, namely “drying devices for printed ink films” and “powder spraying devices”. He further states that the Wares are very sophisticated and have been developed for use in large printing plants for dusting the freshly printed products with a very thin layer of powder. The Wares are also used to avoid printed sheets to stick together after printing. As well, the Wares are used to enhance drying by ultraviolet radiation, infrared radiation and hot air dryers.

At paragraph 12 of his affidavit, Mr. Platsch states that the Wares and Services are to a large part sold to the world leading manufacturers of printing presses as well as medium and large size printing centers. These manufacturers integrate the Wares into complete printing plants. Grafix GmbH, the Applicant's licensee, also sells the Wares and Services directly to clients who wish to add the Wares on printing presses that they have bought individually. Mr. Platsch adds that direct sales and services in the United States and in Canada have been made through Grafix North America until 2003 and since then through Grafix USA LLC. The Opponent noted, and correctly so, that the Applicant has failed to provide sales or advertising figures for Canada and evidence showing sales of either the Wares or the finished products to Canadian customers.

Mr. Platsch provides brochures in the German and English languages allegedly describing the Applicant's Wares and Services. He states that these are representative of brochures distributed by the Applicant, directly or through its licensee, to customers in various countries, including in Germany, since May 20, 2000. I find it reasonable to conclude that the brochures filed under Exhibits C-02, C-04 and C-06 are the English versions of the German brochures filed as Exhibits C-01, C-03 and C-05 respectively. There is no English version of the German brochure filed as Exhibit C-07. Further, I note that the name Grafix GmbH appears at the bottom of the back page of five brochures (Exhibit C-01 to C-03, C-05, C-07) whereas the names Grafix GmbH and Graffix USA LLC appear at the bottom of the back page of two brochures (Exhibits C-04, C-06).

Mr. Platsch alleges that the Mark has been used in Germany in association with the Wares and Services since January 2000 in replacement of the registered mark. The Mark was "presented to the public" by two ads which appeared in the January 2000 issue of the Journal *Deutscher Drucker*. He further states that the Mark progressively started to be used on business papers, on the Wares and in connection with technical information relating to the Wares as of January 2000. Mr. Platsch provides "labels, packaging, technical sheets, stationery and other material" (Exhibits D-01 to D-22) that "have been distributed at the time of the sale" of the Wares and Services and that are representative of the material used by the Applicant and Grafix GmbH in Germany since January 2000. Mr. Platsch explains the nature of these exhibits, which are all in German language except for Exhibits D-12 and D-13 that are identified as "logo plate". He also

provides documents relating to the delivery of Wares “carrying” the Mark and explains the nature of these documents (Exhibit E-01 to E-05).

Mr. Platsch concludes with statements that all the Wares and Services manufactured and sold by Grafix GmbH have been manufactured and sold in accordance with the quality standards and requirements of the Applicant. These statements lead me to address the Opponent’s submissions that the Applicant cannot benefit from the use of the Mark by Grafix GmbH pursuant to the provisions of s. 50(1) of the Act because there is no evidence of direct or indirect control over the activities of Grafix GmbH.

The Applicant did not introduce any license agreement into evidence, but s. 50 of the Act does not require a written agreement. Evidence of control by the trade-mark owner can support the existence of an implied license agreement [see *Well’s Dairy Inc. v. UL Canada Inc.* (2000), 7 C.P.R. (4th) 77 (F.C.T.D.)]. If Platsch GmbH & Co. KG has control over the character or quality of the Wares and Services because Mr. Platsch is the main shareholder of both this entity and Grafix GmbH, then Mr. Platsch should have clearly stated so [see *Automobility Distribution Inc. v. Jiangsu Electronics Industries Ltd.* (2005), 43 C.P.R. (4th) 157 (T.M.O.B.)]. However I am mindful that Mr. Platsch, who was the predecessor of Platsch GmbH & Co KG, has been the Managing Director of Platsch GmbH & Co KG since January 2001 as well as the Managing Director of Grafix GmbH since 1982. Accordingly, I find that an inference can be drawn that Grafix GmbH used the Mark under an oral licence, or under an arrangement that was tantamount to an oral licence, from the Applicant and that the Mark remained under the direct or indirect control of the Applicant [see *Lindy v. Registrar of Trade Marks* (1999), 241 N.R. 362 (F.C.A.)]. I am therefore satisfied that the Applicant has shown its entitlement to the benefit of s. 50(1) of the Act.

Analysis of the grounds of opposition

There is an initial evidential burden on the Opponent to establish the facts relied upon in support of the grounds of opposition. Once this initial onus is satisfied, the Applicant has the burden to prove that the particular ground of opposition should not prevent registration of the Mark [see *Joseph E. Seagram & Sons Limited v. Seagram Real Estate Ltd.* (1984), 3 C.P.R. (3d) 325

(T.M.O.B.); *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) and *Wrangler Apparel Corp. v. The Timberland Company* (2005), 41 C.P.R. (4th) 223 (F.C.).

Section 30(d)

The material date for considering the circumstances with respect to the ground of opposition based upon non-compliance with s. 30(d) of the Act is the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.)].

The Opponent alleged that the application does not comply with the requirements of s. 30(d) of the Act in that the Mark has not fulfilled the dual requirements of having been both used and registered in Germany for all of the Wares or Services. The Opponent did not allege any facts supporting this ground of opposition nor did it file any evidence relating thereto. However, the Opponent did expand on its pleading in its written argument and at the oral hearing by arguing that it may discharge its light evidentiary burden by relying upon the Applicant's evidence. Even if the Opponent may rely upon the Applicant's evidence to meet its initial onus, the Opponent must show that the Applicant's evidence is clearly inconsistent with its claim.

With all due respect for the Opponent, the Act and current jurisprudence do not support the submissions made in its written argument that the application does not comply with s. 30(d) of the Act because the Applicant has not itself used the Mark in Germany. Furthermore, as previously indicated, I am satisfied that the Applicant may benefit from the use of the Mark by Grafix GmbH pursuant to s. 50(1) of the Act.

At the oral hearing, the Opponent lengthily argued deficiencies in the evidence introduced by the Applicant with respect to the use of the Mark in Germany. I would first remark that since the Opponent did not file any evidence supporting its ground of opposition, there was no burden upon the Applicant to file any evidence in support of its claim. Insofar as the Opponent's submissions are concerned, I agree that the appearance of the Mark in brochures does not constitute use in association with wares within the meaning of s. 4(1) of the Act [see *Clairol International Corp. v. Thomas Supply & Equipment Co. Ltd* (1968), 55 C.P.R. 176]. However, the brochures filed as Exhibits C-01 to C-07 contain photographs illustrating the Mark on control panels. I therefore find it reasonable to conclude to use of the Mark in association with wares

within the meaning of s. 4(1) of the Act. While I acknowledge that the brochures are subsequent to the material date, Mr. Platsch stated that the Mark was adopted in January 2000 in replacement of the registered mark and that it progressively started to be used on business papers, on the Wares and in connection with technical information. In the absence of cross-examination, I have no reason to disregard Mr. Platsch's statements. At the oral hearing, the Opponent acknowledged that documents provided as part of Exhibit E show that there was use of the Mark in Germany at the relevant date, in particular with respect to "dusting units". Nonetheless, the Opponent argued that we do not know whether "dusting units" relate to any of the Wares listed in the application. While I acknowledge that the terms "dusting units" do not appear in the statement of wares identified in the application, I do not think this is critical to the issue, more particularly since Mr. Platsch stated that the Wares have been developed for use in large printing plants for dusting the freshly printed products with a very thin layer of powder (my underlining).

As previously indicated, the Opponent did not file any evidence with respect to this ground of opposition. Furthermore, I find that the Applicant's evidence is not clearly inconsistent with its claim. Therefore, I dismiss the ground of opposition based upon non-compliance with s. 30(d) of the Act.

For all intents and purposes, I note that even if the Opponent had been able to successfully defeat the basis of registration and use of the Mark abroad, the application could still have proceeded on the basis of proposed use of the Mark in Canada depending on the outcome of the two remaining grounds of opposition.

Registrability

The material date with respect to the ground of opposition based upon s. 12(1)(b) of the Act is the date of filing of the application [see *Shell Canada Limited v. P.T. Sari Incofood Corporation* (2005), 41 C.P.R. (4th) 450 (F.C.T.D.); *Fiesta Barbeques Limited v. General Housewares Corporation* (2003), 28 C.P.R. (4th) 60 (F.C.T.D.)].

In view of the Applicant's submissions, I note that ownership of Registration No. TMA507,663 does not give the Applicant the automatic right to the registration of the Mark [see *American Cyanamid Co. v. Stanley Pharmaceuticals Ltd.* (1996), 74 C.P.R. (3d) 571 (T.M.O.B.)].

The Opponent has essentially alleged that the Mark is not registrable because whether depicted, written or sounded, it is clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the Wares and Services, or of the conditions of the production of the Wares or of their place of origin, or of the persons employed in the production of the Wares and Services. The Opponent was required under the Act to provide some allegations of facts, which were later to be supported by evidence [see *AstraZeneca AB v. Novopharm Ltd.* (2001), 15 C.P.R. (4th) 327 (F.C.A.)]. After having considered the evidence and the statement of opposition, I find that the Applicant could at most understand that the ground of opposition was based upon the Mark being clearly descriptive of the character or quality of the Wares and Services. I would add that the Opponent, both in its written argument and at the oral hearing, restricted its submissions to arguing that it has evidenced that the Mark is clearly descriptive of the character or quality of the Wares and Services.

In view of the above, I dismiss the ground of opposition based upon the Mark being either clearly descriptive or deceptively misdescriptive of the conditions of the production of the Wares or of the persons employed in the production of the Wares and Services. In addition, since there is no geographical connotation attaching to the word "graphics" or its phonetic equivalent "grafix", I find that the Mark cannot be clearly descriptive of the place of origin of the wares and as such does not contravene the provisions of s. 12(1)(b) of the Act in that regard.

The issue as to whether the Mark is clearly descriptive must be considered from the point of view of the average consumer of the Wares and Services. The word "clearly" has been interpreted to mean easy to understand, self evident or plain [see *G.W.G. Ltd. v. Registrar of Trade-marks* (1981), 55 C.P.R. (2d) 1 (F.C.T.D.)]. Further, in determining whether the Mark is clearly descriptive, the Mark must not be dissected into its component elements and carefully analysed, but rather must be considered in its entirety as a matter of immediate impression [see *Wool Bureau of Canada Ltd. v. Registrar of Trade Marks* (1978), 40 C.P.R. (2d) 25 (F.C.T.D.)];

Atlantic Promotions Inc. v. Registrar of Trade Marks (1984), 2 C.P.R. (3d) 183 (F.C.T.D.)). In *Best Canadian Motor Inns Ltd. v. Best Western International, Inc.* (2004), 30 C.P.R. (4th) 481, the Federal Court ruled on the interpretation of s. 12(1)(b) of the Act in relation to trade-marks that contain both word and design elements. Specifically, the Federal Court concluded that if a clearly descriptive word is the dominant feature of the composite trade-mark, then the trade-mark in its entirety is unregistrable pursuant to s. 12(1)(b) of the Act.

While “grafix” is not a term of the English or French vocabulary, I accept that it can be construed as a corruption of the word “graphics”. As such, I agree with the Opponent that the consumer may perceive the word “grafix” to mean “the products of the graphic arts, esp. commercial design or illustration”. However, I agree with the Applicant’s submissions that the fact that the Wares are installed in printing installations is not sufficient to conclude that the word “grafix” contravenes the provisions of s. 12(1)(b) when considering the Wares associated with the Mark. In my view, the word “grafix” is not clearly descriptive of the character or quality of the Wares intended for dusting freshly printed products with a very thin layer of powder as well as to enhance drying by ultraviolet radiation, infrared radiation and hot air dryers. I also find that the word “grafix” is not clearly descriptive of the character or quality of the Services.

Having regard to the foregoing, I dismiss the ground of opposition based upon s. 12(1)(b) of the Act.

Distinctiveness

The material date to consider the ground of opposition based upon non-distinctiveness is the filing date of the statement of opposition [see *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)]. I note that the Opponent’s pleading reads as follows:

The opponent further bases its opposition on the grounds provided by section 38(2)(d), namely that the trade-mark subject of the advertised application is not distinctive of the applicant or of its wares and services, nor is it adapted to distinguish, having regard to the inherently descriptive and thus non-distinctive nature of the word “GRAFIX”, which dominates the mark applied for.

In *Canadian Council of Professional Engineers v. APA - The Engineered Wood Association* (2000), 7 C.P.R. (4th) 239 at 253, Mr. Justice O'Keefe said:

While it is true that a purely descriptive or a deceptively misdescriptive trade-mark is necessarily not distinctive, it is not correct to hold that merely because a mark is adjudged not to be either purely descriptive or deceptively misdescriptive, it is therefore distinctive.

Nevertheless, I see no reason why the Mark could not function to distinguish the Applicant's Wares and Services from those of others.

In my opinion, the pleading can only be interpreted as relying on the allegation that the Mark is clearly descriptive. However the Opponent, both in its written argument and at the oral hearing, submitted that the Mark is not distinctive because of the number of businesses using trade-names or trade-marks incorporating the word "graphics" or a phonetic equivalent. If I were to accept that the distinctiveness ground of opposition is also based on such an allegation, I would still not maintain it. The evidence introduced by Mr. Beaudoin and Ms Jones postdates the material date. Even if it may be reasonable to conclude that the results of Mr. Beaudoin's searches would have been roughly the same on or before the material date, the listing of a company in on-line telephone directory does not mean that it has acquired any significant reputation in Canada nor does the listing of a company on the Internet.

I dismiss the ground of opposition based upon non-distinctiveness.

Conclusion

Having regard to the foregoing, and with the authority delegated to me under s. 63(3) of the Act, I reject the opposition pursuant to s. 38(8) of the Act.

DATED AT GATINEAU, QUEBEC, THIS 15th DAY OF JUNE 2007.

Céline Tremblay
Acting Chairperson
Trade-marks Opposition Board