

**IN THE MATTER OF OPPOSITIONS
by London Drugs Limited and TLD Computers
Inc. to applications Nos. 646,568 and 646,569
for the trade-marks TDS & Design and TDS
filed by TDS Healthcare Systems Corporation**

On December 8, 1989, the applicant, TDS Healthcare Systems Corporation, filed applications to register the trade-marks TDS & Design (illustrated below) and TDS based on use in Canada since September 30, 1987 with the following wares:

**computer software, computer hardware and documentation
designed for use in the health care industry**

and with the following services:

**installation, maintenance, advertising, consulting, training
services relating to computer hardware and software and related
documentation designed for use in the health care industry.**

The first application was advertised for opposition purposes on June 5, 1991 and the second was advertised on April 10, 1991.

The opponents, London Drugs Limited and TLD Computers Inc., filed identical statements of opposition against the two applications on August 9, 1991. The first ground in each case is that the applicant's application does not comply with the provisions of Section 30(b) of the Trade-marks Act because the applicant did not use its applied for mark since the date claimed. The second ground is that the applicant's application does not comply with the provisions of Section 30(i) of the Act because the applicant could not have been satisfied that it was entitled to use its mark because such use was confusing with trade-marks previously used by the opponents.

The third ground of opposition in each case is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Act because it is confusing with the registered trade-marks TLD (No. 313,089), TLD Design (No. 351,813) and TLD COMPUTERS ADVANCED BUSINESS CENTRE (No. 361,574) owned by the first opponent London Drugs Limited and all covering the following services:

operation of a retail outlet dealing in computer software, computer hardware and computer related accessories; computer services namely customer training in the use of computer software and consulting services to purchasers of computer software, computer repairs, computer education services and programs.

The fourth ground is that the applicant is not the person entitled to registration pursuant to Section 16(1) of the Act because, as of the applicant's claimed date of first use, the applied for trade-mark was confusing with the trade-marks TLD and TLD Design previously used in Canada by the opponents. The fifth ground is that the applicant's trade-mark is not distinctive because it is confusing with the opponents' trade-marks.

The applicant filed and served a counter statement in each case. As their evidence, the opponents filed the affidavits of Wynne Powell and Michael Godwin. The applicant filed the affidavits of William B. Macdonald and Nicholas Brinckman. Both parties filed a written argument but no oral hearing was conducted.

As for the opponents' first ground of opposition, the onus or legal burden is on the applicant to show its compliance with the provisions of Section 30(b) of the Act: see the opposition decision in Joseph Seagram & Sons v. Seagram Real Estate (1984), 3 C.P.R.(3d) 325 at 329-330 and the decision in John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R.(3d) 293 (F.C.T.D.). There is, however, an evidential burden on the opponents respecting their allegations of fact in support of that ground. That burden is lighter respecting the issue of non-compliance with Section 30(b) of the Act: see the opposition decision in Tune Masters v. Mr. P's Mastertune (1986), 10 C.P.R.(3d) 84 at 89. Finally, Section 30(b) requires that there be continuous use of the applied for trade-mark in the normal course of trade since the date claimed: see page six of the unreported decision of the Federal Court in Labatt

Brewing Company Limited v. Benson & Hedges (Canada) Limited and Molson Breweries, a Partnership (Court No. T-777-94; March 22, 1996).

The opponents failed to file evidence in each case directed to their allegation that the applicant had not used its trade-mark since the date claimed. Furthermore, the applicant's own evidence is not inconsistent with its claimed date of first use. Thus, the opponents have failed to meet the evidential burden on them respecting the first ground. Thus, the first ground in each opposition is unsuccessful.

The second ground in each case does not raise a proper ground of opposition. The opponents failed to allege that the applicant was aware of the opponents' trade-marks and that its trade-mark was confusing with them. The second ground in each opposition is therefore also unsuccessful.

The remaining three grounds of opposition all turn on the issue of confusion between the applicant's mark and the three registered marks owned by London Drugs Limited. The only difference between the three grounds is the applicable material time which is the date of decision for the third ground, the applicant's claimed date of first use for the fourth ground and the filing of the opposition for the fifth ground. The opponents' strongest ground is the third ground, their most relevant mark is TLD registered under No. 313,089 and the applicant's more relevant mark is TDS. Thus, a consideration of the issue of confusion between those two marks will effectively decide the remaining grounds of opposition.

As stated above, the material time for considering the circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in Conde Nast Publications Inc. v. Canadian Federation of Independent Grocers (1991), 37 C.P.R.(3d) 538 at 541-542 (T.M.O.B.). Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Finally, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be

given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act.

Both marks are inherently weak since they are comprised of initials. The Powell affidavit evidences use of the first opponent's registered mark TLD from 1986 to 1992 by its former registered user TLD Computers Inc. in Vancouver and surrounding areas in association with the services of operating a computer store. During that period, the second opponent's sales figures totalled more than \$20 million. I am therefore able to conclude that the trade-mark TLD had become known to some extent in southern British Columbia. Mr. Powell states, in his affidavit, that the registered services have also been provided in Alberta but there is nothing in his affidavit to support that statement. Mr. Powell also provided examples of advertising of the trade-mark TLD in a publication entitled CGA Magazine but he did not provide reliable evidence as to the circulation of that periodical.

Mr. Macdonald, in his affidavit, identifies himself as the Vice-President of Marketing of the applicant and states that his company's Canadian sales of computer software, hardware and documentation for the period 1987 to 1991 were in excess of \$8 million. However, as noted by Mr. Macdonald, his company's product is a large scale package designed for hospitals and other health care facilities and the fee for the package is more than \$1 million. Thus, the dollar volume of the applicant's sales represents only a handful of Canadian clients. I am therefore only able to conclude that the applicant's mark has become known to a very limited extent in Canada. Mr. Macdonald also stated that the applicant advertised its trade-mark in various publications but the applicant failed to provide reliable evidence of Canadian circulation figures for those publications, the Brinckman affidavit being comprised entirely of hearsay evidence.

The length of time the marks have been in use is not a material circumstance in the present oppositions. As for the wares, services and trades of the parties, it is the applicant's statement of wares and services and the first opponent's statement of services in registration No. 313,089 that govern: see Mr. Submarine Ltd. v. Amandista Investments Ltd. (1987), 19

C.P.R.(3d) 3 at 10-11 (F.C.A.), Henkel Kommanditgesellschaft v. Super Dragon (1986), 12 C.P.R.(3d) 110 at 112 (F.C.A.) and Miss Universe, Inc. v. Dale Bohna (1994), 58 C.P.R.(3d) 381 at 390-392 (F.C.A.). However, those statements must be read with a view to determining the probable type of business or trade intended by the applicant 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 page 3 of the unreported decision of the Federal Court of Appeal in McDonald's Corporation v. Coffee Hut Stores Ltd. (Court No. A-278-94; June 5, 1996).

On my reading of the statement of services in registration No. 313,089, it covers the operation of a retail computer store that sells personal computers and software and provides related customer services in the nature of repairs, training and consulting. The Powell affidavit confirms that the business of TLD Computers Inc. is essentially that with a more recent emphasis on providing systems support to its customers.

The applicant's statements of wares and services, when read together, describe a specialized business dealing in a computer hardware and software package designed for particular applications in the health care industry. The Macdonald affidavit confirms that this is the actual business of the applicant, although the applicant's packages sold to date are apparently very specialized since they sell for more than \$1 million. In any event, the applicant's wares comprise specialized computer systems which would not be sold through ordinary retail computer stores. Furthermore, they would likely be significantly more expensive than the goods sold by the second opponent and thus potential customers would likely take more care in differentiating any trade-marks involved.

The opponents contend that there is a significant overlap between the services of the parties. Although both the present application and the first opponent's registration cover such things as "consulting" and "training", a complete reading of the statements of wares and services and a review of the evidence of actual use to date reveal that the applied for wares and services relate to specialized computer systems for the health care industry whereas the opponents' services are more in the nature of ordinary retail computer store services including

various customer support services incidental to the sale of personal computers and related products. Thus, although there are some superficial similarities between the services, the trades of the parties are distinct.

Mr. Powell, in his affidavit, states that 5 to 8 per cent of the sales by TLD Computers Inc. have been to customers in the health care industry including hospitals, clinics, pharmacies, etc. The opponents contend that this evidence shows an actual overlap in the trades of the parties. I disagree. The applicant's statements of wares and services and its evidence point to a specialized computer system to be used in the health care industry. The first opponent's statement of services and the opponents' evidence, on the other hand, point to the selling and servicing of personal computers. The fact that a small percentage of the second opponent's sales are made to customers in the health care industry is not surprising since that sector of the economy is quite large and would be expected to support that percentage of sales of many everyday items. There may be specific instances where a hospital will purchase or license the applicant's system and also buy a personal computer or some off-the-shelf software item from the second opponent. To that limited extent, there is a potential overlap in the channels of trade. However, the nature of the items sold and the means by which they would be purchased are such that the trades of the parties are essentially different.

As for Section 6(5)(e) of the Act, I find that there is some resemblance between the marks of the parties primarily due to the fact that both commence with the letter T. The opponents stress that both marks also include the letter D. However, the letter D appears in a different location which helps to lend a different sound and appearance to each mark.

As an additional surrounding circumstance, the applicant has relied on Mr. Macdonald's statement in his affidavit that he is not aware of any incidents of actual confusion between the marks of the parties. However, this is not surprising given the differences in the natures of the businesses of the parties, the limited sales made by the applicant to date and the absence of any actual overlap between the trades of the parties.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the inherent weakness of the marks, the differences between the wares, services and trades of the parties and the absence of a high degree of resemblance between the marks, I find that the applicant has satisfied the onus on it to show that its trade-marks TDS and TDS & Design are not confusing with the registered mark TLD. In view of my earlier comments, it therefore follows that the remaining grounds of opposition are unsuccessful.

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I reject the opponents' oppositions.

DATED AT HULL, QUEBEC, THIS 25th DAY OF JUNE, 1996.

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