IN THE MATTER OF AN OPPOSITION by NTT Systems Inc. to application No. 1,027,193 for the trade-mark NTT COMMUNICATIONS & Design in the name of NTT Communications Kabushiki Kaisha, also trading as NTT Communications Corporation

NTT Communications Kabushiki Kaisha, also trading as NTT Communications Corporation (the "Applicant") is the owner of application No. 1,027,193, which was filed on August 27, 1999 to register the trade-mark NTT COMMUNICATIONS & Design (the "Mark"). The Mark is shown below:

The words NTT COMMUNICATIONS are blue, the design portion is gold and colour is claimed as a feature of the Mark.

The right to the exclusive use of the word COMMUNICATIONS is disclaimed apart from the Mark.

The application is based upon proposed use of the Mark in Canada in association with the following wares:

1. blank magnetic data carriers;
2. computer software, namely blank recording disks;
3. vending machines;
4. cash registers;
5. calculators;
6. data processing equipment and computers;
7. fire-extinguishers;
8. electrical wires and cables;

9. batteries;
10. electrical controllers;
11. electric accumulators;
12. accumulator boxes;
13. acoustic couplers;
14. adding machines;
15. antennas;
16. electric alarm bells;
17. ammeters;
18. sound amplifiers;
19. stereo amplifiers;
20. battery boxes;
21. battery chargers;
22. signal bells;
23. junction sleeves for electric cables;
24. motion picture cameras;
25. video cameras;
26. 35mm cameras;
27. photographic cameras;
28. magnetic coded cards;
29. computer hardware, namely central processors;
30. circuit breakers;
31. circuit closers;
32. electromagnetic coils;
33. commutators;
34. blank compact disks;
35. pre-recorded compact disks featuring computer software for transmittal and processing of text, images, sound, data and numeric characters;
36. computer operating programs;
37. computer software or programs

(a) for automated voice messaging and information processing telecommunications equipment,

(b) for accessing a global computer network or interactive computer communications network providing information on a wide variety of topics of public interest,

(c) for computer data delivery, encrypting and decrypting system to interface with cable television networks,

(d) for collecting, accessing, manipulating and preparing reports and maintaining data bases concerning research, demographic information, product purchase and usage,

(e) for electronic fund transfer, and encryption/decryption of information,

(f) for accessing financial information and transactions, electronic delivery of stocks, bonds, mutual funds, annuities, customer account information,

(g) for facilitating computer aided design (CAD) and large scale integrated circuit design,

(h) for automatic inventory control monitoring and ordering;

38. electrical connectors;
39. blank magnetic data carriers;
40. blank optical data carriers;
41. computer peripheral equipment namely electronic pens;
42. blank floppy disks for computers;
43. integrated circuits;
44. intercoms;
45. computer interface boards;
46. inverters;
47. blank magnetic tapes;
48. optical discs;
49. optical filters;
50. optical mirrors;
51. optical scanners;

52. telephone receivers;
53. audio and video tape recorders or video monitors;
54. electric resistors;
55. semi-conductors;
56. sheaths for electrical cables;
57. transmitters of telephone or radio electronic signals;
58. telephone transmitters;
59. telegraph wires;
60. telephone wires;
61. facsimile machines;
62. portable telephones;
63. wireless telephones;
64. wireless antennas and masts therefor;
65. computer software for accessing a global computer network or interactive computer communications network providing information on a wide variety of topics of public interest;
66. cellular telephones;
67. radio pagers;
68. teleconferencing equipment namely a networking system made up of audio, visual, phone and facsimile components;
69. blank video tapes;
70. pre-recorded video tapes;
71. blank video discs;
72. pre-recorded video discs;
73. blank CD ROM disks;
74. pre-recorded CD ROM disks featuring entertainment and general interest information, namely music, vaudevilles, plays, comic chats, speeches and lectures;
75. audio tapes featuring entertainment and general interest information, not including games;

76. voltmeters,
77. LSI (large scale integrated circuit) testers,
78. digital telephones,
79. modems,
80. digital amplifiers,
81. alternating/direct-direct/alternating converters,
82. LSI (large scale integrated circuit);
83. fibre optic cables,
84. connectors for fibre optic cables,
85. fibre optic light and image conduits;
86. timers for telephone calls,
87. counters for telephone calls,
88. error rate counters for telephone transmission lines,
89. optical pulse counters and optical power meters,
90. word processors,
91. radios;
92. routers;
93. time division multiplexing,
94. frame assembly/disassembly;
95. firewall;
96. protocol analyzers;
97. blank video cassette tapes,
98. blank audio cassette tapes;
99. pre-recorded cassette tapes featuring music vaudevilles, plays, comic chats, speeches and lectures;
100. amusement apparatus adapted for use with television receivers only, including those which can communicate to one another via telecommunication network.

The application was advertised for opposition purposes in the Trade-marks Journal of December 10, 2003. On December 15, 2003, NTT Systems Inc. (the "Opponent") filed a statement of opposition

against the application. The Opponent has pleaded grounds of opposition under s. 38(2)(a), (b), (c), and (d) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the "Act"). The Applicant filed and served a counter statement. The Opponent subsequently obtained leave to file an amended statement of opposition.

Pursuant to rule 41, the Opponent filed an affidavit of Marc Gruschcow, the Opponent's President.

Pursuant to rule 42, the Applicant initially filed an affidavit of Fukuzou Inoue, who was at that time the Applicant's Executive Manager, Public Relations Office. The Opponent obtained an order to cross-examine Mr. Inoue and a cross-examination date of August 11, 2004 was set by the Board. By letter dated July 19, 2004, the Applicant informed the Board that Hideyuki Yamasawa had taken over Mr. Inoue's position and that Mr. Yamasawa was available to be in Canada on August 11 for the cross-examination. Leave was requested to have Mr. Yamasawa take the place of Mr. Inoue in these proceedings and to have Mr. Yamasawa attend for the cross-examination, attest to the truthfulness of Mr. Inoue's sworn statements, and adopt those sworn statements as his own. On July 28, 2004, the Opponent filed submissions objecting to this proposal. The Applicant responded on August 4, 2004 by providing a draft affidavit of Mr. Yamasawa and stating that his travel arrangements had been made. By letter dated August 4, 2004, the Chair of the Board ruled as follows:

> Having considered the submissions of both parties, including the fact that the substitute affiant is simply adopting the content of the affidavit already filed and the fact that the substitute affiant is traveling at great expense and distance in order to allow the cross-examination to take place on the set date, I am granting the applicant's request for leave to file the affidavit of Mr. Yamasawa.
>
> Accordingly, the cross-examination order issued by this Office on July 8, 2004 is hereby varied to substitute the affiant, Hideyuki Yamasawa for the original affiant, Fukusou Inoue.

Both Mr. Gruschcow and Mr. Yamasawa were cross-examined and transcripts of their cross-examinations form part of the record.

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

The Opponent's Evidence

Mr. Grushcow's affidavit includes the following information:

- The Opponent was incorporated in 1980 and is located in the Greater Toronto area.
- The Opponent's business activities "involve all aspects of the specification, programming, design, implementation, creation, installation, distribution, commissioning, operation and maintenance of computer hardware, software and related communications systems"; this includes conducting feasibility studies and technology evaluations, proposing and evaluating user interfaces, and training clients in the use of the Opponent's systems.
- In particular, the Opponent is involved in consulting and the development of systems in the areas of communications systems, signal and speech analysis systems, video signal processing systems, document and data management systems, computer based training systems, data organization and visualization systems, document editing and archiving systems, Internet based business process management systems, and questionnaire preparation and survey management systems.
- Users of the Opponent's systems include the Department of National Defence, NATO scientific committees, and NASA. The Opponent's clients include a variety of public and private sector organizations, including ambulance services, fire departments and hospitals.
- The Opponent's sales over the ten years prior to February 2004 amounted to approximately $3.5 million.
- Mr. Grushcow states that the Opponent has displayed its trade-marks in the following manners: advertisements at trade shows, on its web site, in public job postings, in public listings of awarded contracts, on letterhead, invoices, business cards, orders, proposals, contracts, non-disclosure agreements, software, and on shirts of sponsored sports teams.
- Exhibit B shows the trade-mark NTT and the trade-name NTT Systems Inc. displayed on an advertisement distributed "to potential clients and business partners at various trade shows in Canada." (The extent and timing of the distribution is not revealed.)
- Exhibit C shows the trade-mark NTT and the trade-name NTT Systems Inc. displayed on the Opponent's web site. (The pages printed from the web site bear the dates April 19, 1999 and June 17, 2003.) Mr. Grushcow attests that the web site receives over 32,000 hits per year but there is no evidence that these are by Canadians.

- Other exhibits provide letterhead, business cards, invoices, and business proposals, each of which displays the trade-mark NTT and the trade-name NTT Systems Inc.
- Mr. Grushcow states that representatives of the Opponent are "frequently mistaken for representatives of the Applicant at trade shows and conferences in Canada" and comments are occasionally received from clients assuming that the Opponent is the Applicant's subsidiary in Canada.

The information produced during the cross-examination of Mr. Grushcow included the following:

- The Opponent chose the letters NTT from the phrase "now is the time".
- The services listed in the Opponent's trade-mark registrations accurately describe the Opponent's business, including the evaluation and selection and installation of hardware and software.
- The Opponent on occasion purchases hardware that it invoices to clients.
- When Mr. Grushcow refers to communications, he means communications between multiple machines in the course of dealing with some task.
- Details concerning instances of the Opponent and the Applicant being confused are scarce.
- To Mr. Grushcow's knowledge, there is only one other user in Canada of a business name, corporate name, domain name or trade-mark that includes NTT and it "does television commercials or something like that".

<u>The Applicant's Evidence</u>

Preliminary Issues

i) status of Inoue affidavit

As mentioned above, the Applicant replaced Mr. Inoue's affidavit with Mr. Yamasawa's affidavit and made Mr. Yamasawa available for cross-examination in Mr. Inoue's stead. The Opponent objected to this substitution at the time and again in its written argument.

Mr. Yamasawa affirms the contents of Mr. Inoue's affidavit and adopts the statements therein as his own. He does not however attach a copy of Mr. Inoue's affidavit as an exhibit to his affidavit (nor does he identify its date). The Opponent took the position that Mr. Inoue's affidavit should be

returned to the Applicant pursuant to r. 44(5) of the *Trade-marks Regulations (1996)*, on the basis that Mr. Inoue did not make himself available for cross-examination. That rule reads as follows:

> If an affiant or declarant declines or fails to attend for cross-examination, the affidavit or declaration shall not be part of the evidence and shall be returned to the party who filed it.

However, I note that the Board's August 4, 2004 ruling varied the original cross-examination order, which might mean that r. 44(5) was never triggered.

Regardless of whether r. 44(5) applied, it seems to me that the Inoue affidavit was not part of the record as it had been replaced by an affidavit that did not incorporate it as an exhibit. For this reason, the Inoue affidavit should probably have been returned to the Applicant. Although this was not done, I do not see how the failure to do so would result in the Inoue affidavit becoming a proper part of the record. However, the status of the Inoue affidavit changed when the cross-examination of Mr. Yamasawa took place, for the reasons set out below.

The Opponent's agent did not preface Mr. Yamasawa's cross-examination by stating that it was being done under reserve of the Opponent's right to continue to take the position that the Inoue affidavit is not part of the record. The Opponent's agent began the cross-examination by asking Mr. Yamasawa if he had copies of his Affidavit and the exhibits with him. [Questions 4-6] This is curious since there are no exhibits to Mr. Yamasawa's affidavit, leaving me to wonder if the Opponent's agent was treating Mr. Inoue's affidavit as an exhibit to Mr. Yamasawa's affidavit.

At question 46, the Opponent's agent asks Mr. Yamasawa to turn his attention to the affidavit of Mr. Inoue and asks him specific questions concerning the following portions of Mr. Inoue's affidavit: paragraph 2; Exhibit A (para. 5); Exhibit B (para. 6); Exhibit C (para. 7); Exhibit E (para. 9); paragraph 10; paragraph 11; and Exhibit G (para. 11). So the question becomes, what is the status of these portions of the Inoue affidavit in the present proceedings. It seems to me that they are akin to exhibits to the cross-examination, although I acknowledge that they were not identified as such.

ii) hearsay

The Opponent has also raised hearsay issues with respect to Mr. Yamasawa's evidence.

Paragraph 5 of Mr. Yamasawa's affidavit reads:

> 5. I have read and am familiar with the affidavits of Fukuzou Inoue and Exhibits A, B, C, D, E, F and G to the affidavits. I hereby attest to the truthfulness of the sworn statements of Fukuzou Inoue in his affidavits and adopt those sworn statements as my own.

In its written argument, the Opponent submitted, at pages 5-6:

> From the cross-examination of Mr. Yamasawa, it is clear that the vast majority of his alleged evidence – which adopts the evidence of Mr. Inoue – was in fact information prepared for Mr. Yamasawa by others such as Mr. Aoyama, an officer with the Public Relations Office. Having held this position for five weeks prior to swearing his affidavit, and having been previously employed in a wholly different division located in Europe, Mr. Yamasawa had none or little personal knowledge of the materials with the his [sic]affidavit prepared by the Notary Public, Mr. Sadao Hirata, of his company's Tokyo office. Mr. Yamasawa informed himself of the substance of the Inoue affidavit by speaking to Mr. Inoue and Mr. Aoyama.
>
> Yamasawa cross-examination, p. 3, q. 9, p. 4, q. 13.

The Opponent proceeded to particularly ask that the information in paragraphs 5, 7 and 10 of the Inoue affidavit be disregarded as hearsay. I note that each of these paragraphs was cross-examined upon. I am however concerned that they may nevertheless be inadmissible on the basis that the information they contain was not within Mr. Yamasawa's personal knowledge.

The question to be asked is whether the evidence obtained from other employees meets the common law exceptions to hearsay, which are governed by the criteria of necessity and reliability. There is no reason to doubt the reliability of the evidence that other employees provided Mr. Yamasawa, but there is nothing that indicates that it was necessary to provide this information through Mr. Yamasawa rather than directly through these other employees.

Business records do of course constitute another exception to the hearsay rule. Section 35(2) of the *Evidence Act*, R.S.O. 1990, c. E.23, reads as follows:

> *Where business records admissible*

> 2) Any writing or record made of any act, transaction, occurrence or event is admissible as evidence of such act, transaction, occurrence or event if made in the usual and ordinary course of any business and if it was in the usual and ordinary course of such business to make such writing or record at the time of such act, transaction, occurrence or event or within a reasonable time thereafter. R.S.O. 1990, c. E.23, s. 35 (2).

Paragraph 6 of Mr. Yamasawa's affidavit reads:

> 6. I have available to me the same company records and information available to Mr. Inoue and am able to verify that the information and Exhibits contained in the affidavit of Mr. Inone [sic] were prepared from company records in the usual and ordinary course of business.

I am nevertheless not certain that the exhibits to Mr. Inoue's affidavit would be admissible under the business records exception for two reasons. First, there is no evidence that the materials attached to the Inoue affidavit qualify as "business records", in particular because there is no evidence that "it was in the usual and ordinary course of such business to make such writing or record at the time of such act, transaction, occurrence or event or within a reasonable time thereafter." Second, although Mr. Yamasawa said that he was <u>able</u> to verify that they were prepared from company records in the usual and ordinary course of business, there is no evidence that he did in fact verify this. On cross-examination he stated that he spoke with Mr. Inoue and that Exhibits A and C were prepared by an employee who works for him.

That said, I do not intend to analyze the evidence and determine which parts are inadmissible hearsay, for the simple reason that the outcome of these proceedings does not turn on the contested evidence. To put it another way, whether or not I accepted all of Mr. Yamasawa's evidence (*i.e.* including the Inoue affidavit) the outcome of these proceedings would not change.

Summary of Evidence

I summarize the more pertinent evidence introduced/adopted by Mr. Yamasawa as follows:

- The Applicant was incorporated on July 1, 1999 as the long-distance and international communications wholly owned subsidiary of Nippon Telegraph and Telephone Corporation, one of the world's largest telecommunications companies. (paragraph 2, Inoue affidavit)
- The Applicant "has attempted to make its services as well known globally as possible." To this end, it has advertised its services through the media, participated in trade show

exhibitions and seminars and published a web site. Exhibits C and D are magazine media reports of advertising in 2001 and June-August 2002. (paragraphs 4, 7 and 8, Inoue affidavit)

- Promotional materials were distributed to Canadian telecommunication companies, Telus Corp. and Cyberlink Systems Corp., at a conference held in the U.S. in 2003. (Exhibit "F", paragraph 10 Inoue affidavit)
- Exhibit G purports to provide invoices evidencing sales of the Applicant's services into Canada. (paragraph 11, Inoue affidavit) During cross-examination, it was revealed that they relate to the use of a terminal and a dedicated access line between Tokyo and Fukuoka, *i.e.* for services within Japan. In addition to not relating to services performed within Canada, it was also revealed that the Mark does not appear on the invoices. Mr. Yamasawa said that he thought that the Mark appears on the envelopes but no envelope was provided and in fact Mr. Yamasawa's department would not have sent the invoices that were provided.

Grounds of Opposition

Although the ultimate legal burden lies on the Applicant in opposition proceedings, there is an evidential burden on the Opponent to first adduce sufficient evidence to support the truth of its allegations. [See *John Labatt Limited v. The Molson Companies Limited* (1990), 30 C.P.R. (3d) 293 at 298.]

Section 38(2)(a) Ground of Opposition

The Opponent indicated at the oral hearing that it is not pursing its s. 38(2)(a) ground of opposition, namely the ground of opposition that pleaded non-compliance with s. 30(a).

Section 38(2)(b) Ground of Opposition

The Opponent has pleaded:

> Having regard to s. 38(2)(b) and 12(1)(d) of the Act, the Mark is not registrable in that it is confusing with the following registered marks:
>
> (i) NTT, TMA370,743, used in association with:
>
> - operation of a business dealing in computer hardware and software consulting;
> - design, creation, installation, distribution, sale, programming, service and maintenance of computer software; and

(ii) NTT SYSTEMS, TMA370,742, used in association with:

- operation of a business dealing in computer hardware and software consulting;
- design, creation, installation, distribution, sale, programming, service and maintenance of computer software.

The Opponent has satisfied its initial burden by providing copies of its registrations [Exhibit A, Grushcow affidavit]. The Applicant must therefore satisfy the legal burden on it to establish on a balance of probabilities that there would not be a likelihood of confusion between its Mark and either one of the Opponent's marks. [See *Dion Neckwear Ltd. v. Christian Dior, S.A.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)] The material date for assessing the likelihood of confusion under s. 12(1)(d) is the date of my decision [*Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks*, 37 C.P.R. (3d) 413 (F.C.A.)].

The test for confusion is one of first impression and imperfect recollection. In applying the test for confusion set forth in s. 6(2) of the Act, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5). The weight to be given to each relevant factor may vary, depending on the circumstances. [See *Clorox Co. v. Sears Canada Inc.* (1992), 41 C.P.R. (3d) 483 (F.C.T.D.); *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R. (3d) 308 (F.C.T.D.); *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.).]

I shall first assess the likelihood of confusion between the Opponent's mark NTT and the Applicant's Mark.

s. 6(5)(a): the inherent distinctiveness of the trade-marks and the extent to which they have become known

The Opponent's mark does not relate to the nature of its services. Nevertheless, trade-marks comprised only of initials are traditionally considered to be weak and to lack inherent distinctiveness. [See *GSW Ltd. v. Great West Steel Industries Ltd.* (1975), 22 C.P.R. (2d) 154 (F.C.T.D.) at 162-164.]

The Applicant's Mark is also inherently weak as it consists of initials, a descriptive word and unexceptional design features.

The Opponent's NTT mark has acquired some distinctiveness through use and promotion but the evidence does not enable me to be any more specific. The Applicant points out that a comparison of the Opponent's sales figures and the value of some of its individual contracts suggests that the number of clients of the Opponent is small.

The Applicant also submits that the Opponent's evidence of "confusion" supports the negative inference that the Applicant, not the Opponent, has established a reputation in Canada. At the oral hearing, the Opponent argued that this is a case of reverse confusion and cited the decision in *A & W Food Services of Canada Inc. v. McDonald's Restaurants of Canada Ltd.* (2005), 40 C.P.R. (4th) 126 (F.C.T.D.). In that decision, Mr. Justice O'Reilly concluded that, "The Act is broad enough to cover both forward and reverse confusion… and the same criteria apply." I will not pursue this point further as I find that the evidence of "confusion" is too weak to be a significant factor in the present case.

The Applicant's Mark may have been promoted to some extent in Canada. The Applicant states in its written argument that its evidence demonstrates that its Mark is well-known in Canada since 2003. However, even if I were to treat all of Mr. Yamasawa's evidence as admissible, I would not reach this conclusion for the following reasons: 1) there is no evidence of the Canadian circulation of the publications in which the Applicant's Mark has been allegedly advertised; 2) the ads provided do not all display the applied-for Mark; 3) there is no evidence of the extent of distribution of promotional materials in Canada; 4) there is no evidence of the extent to which the Applicant's web sites have been accessed by Canadians; and 5) the one invoice provided that is made out to a Canadian company does not display the Mark [see Exhibit G, Inoue affidavit].

s. 6(5)(b): the length of time each trade-mark or trade-name has been in use

This factor favours the Opponent as the Applicant has not commenced use of its Mark in Canada.

I will take this opportunity to address the Applicant's argument that the Opponent has not used NTT

simpliciter when those letters appear as part of a logo that includes the words Systems Inc. and other features. I find that such use qualifies as use of NTT, based on Principle 1 of *Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R. (3d) 535 at 538-9, since NTT stands out from the additional material by the use of different sizing.

s. 6(5)(c) and (d): the nature of the wares, services, businesses or trade

The Opponent designs, creates, installs, distributes, sells, programs, services and maintains computer software. It also provides consultation with respect to computer hardware and software.

The Applicant is a telecommunications service provider, offering "services in Solutions, Network Management, Security and Global services, such as international telecommunications, long distance, global IP and multimedia services." (Mr. Yamasawa's attestations concerning the nature of the Applicant's business are clearly within his personal knowledge.)

The parties' clients could overlap and they might both deal with the same departments within potential client companies. There is evidence that the Opponent has entered into contracts for the amounts of approximately $250,000 and $825,000, whereas the Applicant has issued an invoice for approximately $30,000 [see Exhibit M, Grushcow affidavit; Exhibit G, Inoue affidavit].

In the Supreme Court of Canada decision in *Mattel, Inc. v. 3894207 Canada Inc.*, *supra*, Mr. Justice Binnie discussed the type of consumer to be considered when assessing the likelihood of confusion question, at paragraph 58, as follows: "A consumer does not of course approach every purchasing decision with the same attention, or lack of it. When buying a car or a refrigerator, more care will naturally be taken than when buying a doll or a mid-priced meal: *General Motors Corp. v. Bellows*, [1949] S.C.R. 678." It would appear that the present parties' wares/services are the sort where purchasers would take more care.

In its written argument, the Opponent submitted that both the Applicant and the Opponent are in the business of computer consulting services and design of networks. At the oral hearing, the Opponent expressed the view that the following wares in the application overlap with its wares/services:

- data processing equipment and computers;
- computer software or programs for automated voice messaging and information processing telecommunications equipment, for accessing a global computer network or interactive computer communications network providing information on a wide variety of topics of public interest, for computer data delivery, encrypting and decrypting system to interface with cable television networks, for collecting, accessing, manipulating and preparing reports and maintaining data bases concerning research, demographic information, product purchase and usage, for electronic fund transfer, and encryption/decryption of information, for accessing financial information and transactions, electronic delivery of stocks, bonds, mutual funds, annuities, customer account information, for facilitating computer aided design (CAD) and large scale integrated circuit design, for automatic inventory control monitoring and ordering;
- firewall.

At the oral hearing, the Applicant did not respond to the Opponent's submissions concerning the overlapping wares/services. Rather, it expressed the view that the marks are so different that the wares/services need not be considered. It did however address the issue of the nature of the wares, services, businesses and channels of trade in its written argument. There it submitted that there is a wide divergence between the applied for wares and the Opponent's services. It also argued that one must not just consider the statements of wares or services but also how the marks are actually being used in the marketplace. In my view, the latter point is only correct if there is ambiguity as to the wares or services covered by the application or registrations at issue [see *McDonald's Corporation v Coffee Hut Stores Ltd.* (1996), 68 C.P.R. (3d) 168, at p. 169 (F.C.A.); *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe, Inc. v. Dale Bohna* (1984), 58 C.P.R. (3d) 381 (F.C.A.)].

I recognize that computer software is a broad term and that its function and area of use needs to be considered when assessing the extent to which software is similar. In the absence of greater input on this point from the Applicant, I am left to rely on the Opponent's view as to the similarity between the parties' specific wares/services. As the Applicant has not specifically argued that the wares

highlighted by the Opponent are significantly different from the Opponent's field of interest, I am inclined to accept the Opponent's view that the wares set out earlier as items 6, 37 and 95 overlap with the Opponent's field of interest.

s. 6(5)(e): the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

With respect to s. 6(5)(e), the trade-marks at issue must be considered in their totality.

There is a resemblance between the parties' marks in their totality in appearance and sound since both of the marks feature the letters NTT.

Although the Opponent's affiant attests that its NTT stands for "now is the time" and it appears likely that the Applicant's NTT are the initials of its parent company (Nippon Telegraph and Telephone), there is no evidence that clients would be aware of these associations.

As support for its view that the differences between the marks are sufficient to make confusion unlikely, the Applicant referred to *ITV Technologies Inc. v. WIC Television Ltd*. (2003), 29 C.P.R. (4^{th}) 182 (F.C.T.D.); affmd. (2005), 38 C.P.R. (4^{th}) 481 (F.C.A.). There it was held that, although ITV was the dominant portion of both parties' marks, the addition of the word "Technologies" and the suffix dot-net were sufficient to distinguish the parties' marks. However, the ITV case is distinguishable in that it was an infringement action (and therefore involved a different onus) and there was evidence that ITV was a defined abbreviation for Internet television, interactive television and instructional television (in other words, it was weaker than the initials at hand in the present case).

other surrounding circumstances

As mentioned earlier, I do not consider the evidence of "actual confusion" to be significant and there is no evidence that third parties have adopted NTT marks in either of the parties' fields.

Conclusion re Likelihood of Confusion re Section 38(2)(b)

Having considered all of the surrounding circumstances, I find that the Applicant has not met the onus on it to show, on a balance of probabilities, that confusion is not likely between the Mark and NTT in so far as the wares identified as numbers 37 and 95 are concerned. I reach this conclusion because there is an overlap with respect to these wares, there is no evidence of use of the Applicant's Mark in association with these wares in Canada, little or no evidence of promotion of the Applicant's Mark in association with these wares in Canada, and no evidence that other parties use NTT in this field.

On the other hand, I find that there is not a reasonable likelihood of confusion between the marks with regard to the remaining wares listed in the Applicant's application. The Opponent itself has indicated that it does not consider the majority of those wares to overlap with its wares/services and, given that the Opponent's mark is inherently weak and has not acquired a lot of reputation through use or promotion, it is inappropriate to grant it any broader scope of protection. With respect to the wares other than 37 and 95, I find that the differences between the parties' wares/services weigh more heavily than the degree of resemblance between the marks. Regarding the wares "data processing equipment and computers", I understand this to be a reference to hardware and, given that the Opponent does not sell branded hardware (although it does on occasion recommend the purchase of third party hardware to its clients), I am satisfied that there is not a reasonable likelihood of confusion with respect to those wares.

The Opponent's position is perhaps weaker with respect to its trade-mark NTT SYSTEMS since the evidence shows less use of that mark than of NTT. However, the resemblance between NTT SYSTEMS and NTT COMMUNICATIONS & Design is not significantly less than between NTT and NTT COMMUNICATIONS & Design. (I note that the words SYSTEMS and COMMUNICATIONS can be used in tandem, as in "communications systems".) Overall, I find that the Applicant has not satisfied its onus to show that there is not a reasonable likelihood of confusion between NTT SYSTEMS and the Mark, but only with respect to the wares 37 and 95, for reasons similar to those discussed with respect to NTT.

Section 38(2)(c) Ground of Opposition

These pleadings read:

> Having regard to s. 38(2)(c) and 16 of the Act, the Applicant is not the person entitled to registration of the Mark in that at the date of filing of the application, it was confusing with:
>
> (i) the above-mentioned trade-marks NTT and NTT SYSTEMS previously used in Canada by the Opponent;
>
> (ii) a trade-name that had previously been used in Canada by the Opponent, namely, NTT Systems Inc.

The material date with respect to the s. 38(2)(c) ground of opposition is the Applicant's filing date [see s. 16 of the Act].

In order to satisfy its initial burden with respect to its s. 38(2)(c) ground of opposition, the Opponent must show that it has used its trade-marks and trade-name since prior to August 27, 1999 and had not abandoned such marks or name as of December 10, 2003, when the Applicant's mark was advertised [see s. 16(5) of the Act].

I find that the Opponent has met its initial burden in so far as its trade-mark NTT and trade-name NTT Systems Inc. is concerned.

Although the Opponent's use and promotion of its mark and name are necessarily less as of August 27, 1999 than as of today's date, I note that there is no evidence that the Applicant's Mark was known to any degree in Canada as of August 27, 1999 (not surprising given that the application was based on proposed use).

For reasons similar to those set out under the s. 38(2)(b) ground, I conclude that there was a reasonable likelihood of confusion between the Mark and the trade-mark NTT, as well as the trade-name NTT Systems Inc., as of August 27, 1999 in so far as concerns the wares identified above as 37 and 95. This ground of opposition therefore also succeeds with respect to those wares, but fails with respect to the remaining wares.

Section 38(2)(d) Ground of Opposition

These pleadings read:

> Having regard to s. 38(2)(d) and 2 of the Act, the Mark is not distinctive in that it does not distinguish nor is it adapted to distinguish the wares of the Applicant from the wares provided by the Opponent in association with the Opponent's trade-marks NTT and NTT SYSTEMS and the Opponent's trade-name NTT Systems Inc.

In order to satisfy its initial burden with respect to its s. 38(2)(d) grounds of opposition, the Opponent must show that its trade-marks or trade-name had acquired a reputation in Canada in connection with its wares in Canada prior to the filing of the opposition, namely December 15, 2003. [See *Motel 6, Inc. v. No. 6 Motel Ltd*. (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D); *Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.) at 324]

The Opponent has satisfied its evidential burden in so far as its NTT mark and NTT Systems Inc. trade-name are concerned. For reasons similar to those set out under the other grounds of opposition, this ground of opposition also succeeds only with respect to the wares identified as 37 and 95.

Disposition

Having been delegated by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, pursuant to s. 38(8) of the Act I refuse the application with respect to only the following wares:

> computer software or programs for automated voice messaging and information processing telecommunications equipment, for accessing a global computer network or interactive computer communications network providing information on a wide variety of topics of public interest, for computer data delivery, encrypting and decrypting system to interface with cable television networks, for collecting, accessing, manipulating and preparing reports and maintaining data bases concerning research, demographic information, product purchase and usage, for electronic fund transfer, and encryption/decryption of information, for accessing financial information and transactions, electronic delivery of stocks, bonds, mutual funds, annuities, customer account information, for facilitating computer aided design (CAD) and large scale integrated circuit design, for automatic inventory control monitoring and ordering;

firewall.

I reject the opposition with respect to the remaining wares.

Authority for a split decision is set out in *Produits Ménagers Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 C.P.R. (3d) 492 (F.C.T.D.).

DATED AT TORONTO, ONTARIO, THIS 30th DAY OF MARCH 2007.

Jill W. Bradbury
Member
Trade-marks Opposition Board