

**IN THE MATTER of an opposition filed by
Optic Nerve Art & Design Ltd. to
application number 1070271 for the trade-
mark OPTIC NERVE DESIGN & Design
filed by Optic Nerve Design**

I The proceedings

On August 9, 2000, Optic Nerve Design (the «Applicant») filed an application to register the trade-mark OPTIC NERVE DESIGN and Design as hereinafter illustrated:

OPTIC*NERVE
d e s i g n

(the «Mark»), based on use since May 2000, in association with:

research and development in the fields of multi-media, interactive content delivery, interface design and application design, market research and analysis service for others; concept design, interface design, graphic design, content design, audio/video design, broadcast design and technical design for others in the fields of multi-media and interactive; web site development, design, hosting and maintenance for others; interface development; development of written, graphic and audio/video content and technical development for internet, cd-roms, interactive TV and other information and communication applications; development of written and graphical content for print publications, development of audio/video productions; consulting in the fields of multi-media and interactive content development and delivery; consulting in the fields of computer hardware, software, global and local area communication networks, consulting in the field of education. (the «Services»)

The application was advertised on March 27, 2002 in the Trade-marks Journal. Optic Nerve Art & Design Ltd. («Optic») filed on May 27, 2002 a statement of opposition, which raises the following grounds:

- 1) The application does not comply with the requirements of s. 30(i) of the Trade-Marks Act R.S.C. 1985, c. T-13, (the «Act»), namely that it is falsely that the Applicant declared itself satisfied to be entitled to use the Mark in association with the Services;

- 2) The Applicant is not the person entitled to registration pursuant to s. 16(1)(c) of the Act in that the Mark is confusing with the trade-name Optic Nerve Art & Design Ltd. previously used in Canada by the opponent in association with services which are substantially the same as those described by the Applicant, more particularly services in the field of graphic design, production of printed production and electronic, television and radio advertisements;
- 3) The Applicant is not the person entitled to registration pursuant to s. 16(1)(a) of the Act in that the Mark is confusing with the trade-mark OPTIC NERVE previously used in Canada by the opponent in association with services which are substantially the same as those described by the Applicant, more particularly services in the field of graphic design, production of printed production and electronic, television and radio advertisements;
- 4) The Mark is not distinctive of the Services within the meaning of Section 2 of the Act in that it is not adapted to distinguish, nor capable of distinguishing, the Services from the services of the opponent.

The Applicant filed on September 23, 2002 its counter statement denying essentially all the grounds of opposition raised by the opponent.

The opponent filed the affidavit of Mr. Jean Parizeau while the Applicant filed the affidavit of Ms. Janis Cain. Both parties produced written arguments and an oral hearing was held by way of conference call during which both parties made representations. There were two separate requests made by the opponent, approximately one week prior to the hearing: to file additional evidence and to change the name of the opponent. I shall deal with those requests after summarizing the evidence filed originally by the parties.

II The Opponent's evidence

Mr. Parizeau describes himself as an «administrator» of the opponent, a company that was duly incorporated on February 26, 1986, under the laws of the province of Ontario, under the name 65660 Ontario limited, and subsequently changed its corporate name on April 29, 1986 to Optic

Nerve Art and Design Ltd., and filed a copy of the corporate documentation to support such allegations. As argued by the Applicant, the mere registration of a corporate name does not establish use of a trade-mark or a trade-name within the meaning of s. 4 of the Act.

The opponent's activities consist of providing services in the fields of graphic design, production of printed production and electronic television and radio advertisement. The affiant filed what appear to be the front page and the notice to the readers' page of Optic's financial statements for the years 1988 to 1996 and 1998 to 2001. However, even if the financial statements of Optic had been produced in the record in their entirety, they would not constitute evidence of use of its trade-name in association with the services.

Annexed to his affidavit were invoices (schedule A-5) dated February 10, 2000, March 22, 2000 and April 23, 2000. On the top left hand corner of the invoice, there is the trade-mark Optic Nerve and design as illustrated therein:

while at the bottom of the invoices we find the following inscription: «Please make your remittance to: Optic Nerve Art & Design Inc.» (my underlines). The description of the services appearing on these invoices includes «computer art work». A second set of invoices (schedule A-6) dating between May 2000 to September 2002, having the same characteristics than those filed as schedule A-5, was also filed to establish continuous use of those trade-name and corporate name as of the date of publication of the application and the filing date of the statement of opposition. [Section 16(5) of the Act]

III The Applicant's evidence

Ms. Cain has been an employee of the Applicant's agents firm. She conducted various corporate searches to establish that there exists a corporate relationship between the opponent and the various corporate entities identified on the invoices filed in the record. The results of those searches were annexed to her affidavit as exhibits.

IV The preliminary issues

I shall deal first with the request for leave to change the opponent's name to Réalisations Inc. The Applicant has not contested this request and I therefore granted, at the hearing, leave to the opponent to change the opponent's designation to read Réalisations Inc. (Realisations Inc. and/or Optic hereinafter referred to as «Opponent»)

The second request for leave to file additional evidence in the form of an affidavit of Nathalie Fagnan dated September 8, 2005 together with Schedules C-1 to C-3. In support of such application, the Opponent's agent alleged that the additional evidence was not brought to her attention when she originally filed the Opponent's evidence. The Opponent argued that the evidence contained in such additional affidavit would complement the evidence already in the file. The Applicant objected to the production of this affidavit for the reasons detailed in a letter dated September 13, 2005 addressed to the Registrar. At the outset of the hearing I asked the Opponent's agent if she had anything to say in response to the arguments contained in the Applicant's aforesaid letter. The Opponent argued that the Opposition Board, being an administrative tribunal, should not favour the form over the content and that the supplemental evidence would assist the Registrar in making its decision. Finally the Opponent pleaded that the Applicant would not suffer any prejudice as a postponement of the hearing could be granted in order to proceed with the cross-examination of the affiant if deemed necessary. I dismissed the Opponent's application for the reasons hereinafter set forth.

According to the Practice Notice on the procedure before the Trade-marks Opposition Board published on June 19, 1996, and still in force, as well as the jurisprudence [see 437832 *Ontario*

Ltd. v. John Labatt Ltd. (1987), 16 C.P.R. (3d) 345 and *Avon Canada Inc. v. Seekers Nominees Ply Ltd.* (1986), 12 C.P.R. (3d) 522] the parameters to determine if it is in the interest of justice to grant such application, having regard to all the surrounding circumstances, include:

- a) The stage the opposition proceeding has reached;
- b) Why the evidence was not filed earlier;
- c) The importance of the evidence to be filed; and
- d) The prejudice that will be suffered by the other party.

In the present instance, the request was made a week prior to the hearing. Moreover, the Opponent was not able to explain what prevented it to file this evidence at an earlier stage as it relates to facts dating back as far as October 2002. Furthermore, there is no evidence that the Opponent made any effort to file it as soon as it became available. Finally, the evidence would be of little assistance to the Opponent as it concerns facts that occurred after the relevant dates.

V The law

The legal burden is upon the Applicant to show that its application complies with the provisions of Section 30 of the Act, but there is however an initial onus on the Opponent to establish the facts relied upon by it in support of such grounds of opposition. Once this onus is met, the burden shifts to the Applicant who must prove, on a balance of probabilities, that the particular grounds of opposition should not prevent the registration of the mark applied for. [See *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330 and *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R. (3d) 293]

The issue of non-compliance with the provisions of s. 30 of the Act must be assessed as of the filing date of the application (August 9, 2000). [See *Dic Dac Holdings (Canada) Ltd v. Yao Tsai Co.* (1999), 1 C.P.R. (4th) 263] The material time for considering the issue of non-entitlement based on s.16 (1) of the Act is the claimed date of first use of the Mark (May 31, 2000) [s.16 of the Act]. The material date for assessing the issue of distinctiveness is generally accepted to be the date of filing of the statement of opposition (May 27, 2002) [see *Andres Wines Ltd. and E&J*

Gallo Winery (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 424 (F.C.A)].

VI Analysis of the various grounds of opposition

There has been no evidence adduced by the Opponent to support the first ground of opposition described above and therefore it is dismissed for failure to meet the initial onus.

I shall examine the third ground of opposition described above. I consider the design appearing on the Opponent's invoices and illustrated hereinabove to be use of the trade-mark OPTIC NERVE as the predominant portion of such design is the word portion OPTIC NERVE. It has been established that a trade-mark appearing on invoices constitute evidence of use of such mark in association with services as per s. 4(2) of the Act. [See *Société Nationale des Chemins de fer v. Venice-Simplon Orient-Express, Inc.* (1995), 64 C.P.R. (3d) 87 and *Smith Lyons v. Vertag Investments Ltd.* (2000), 7 C.P.R. (4th) 557]. The services described on the invoices comprise "computer art". Therefore the question to be resolved is: does the use of the Mark in association with the Services is likely to create confusion with the Opponent's trade-mark OPTIC NERVE used in association with «computer art»?

In assessing the likelihood of confusion between the Opponent's trade-mark and the Mark, s. 6(5) of the Act directs the Registrar to have regards to all of the surrounding circumstances, including:

- i) The inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
- ii) The length of time the trade-marks or trade-names have been in use;
- iii) The nature of the wares, services, or business;
- iv) The nature of the trade; and
- v) The degree of resemblance between the trade-marks or trade-names in appearance, or sound or any ideas suggested by them.

The burden of proof therefore lies on the Applicant who must convince the Registrar, on a balance of probabilities, that there is no likelihood of confusion between the Mark and the Opponent's trade-mark OPTIC NERVE at the above mentioned relevant date [see *Sunshine Biscuits Inc. c. Corporate Foods Ltd.* (1982), 61 C.P.R. (2d) 53 and *Christian Dior, S.A. v. Dion Neckwear Ltd* [2002] 3 C.F.405].

It has been established that the criteria listed in s. 6(5) of the Act are not exhaustive and it is not necessary to give each one of them equal weight [See *Clorox Co. v. Sears Canada Inc.* (1992), 41 C.P.R. (3d) 483 (F.C.T.D.) and *Gainers Inc. v. Marchildon* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.)].

The Applicant did not address the issue of likelihood of confusion as it took the position that the Opponent did not meet its initial onus with regard to the prior use of the trade-mark OPTIC NERVE. It further argues that if there was such prior use, the Opponent did not prove that its mark had a reputation in the trade, which would be a prerequisite before determining the likelihood of confusion between the marks in issue. Mr. Justice Nadon did reject such argument in the case of *J.C. Penney Co. v. Gaberdine Clothing Co.* (2001) C.P.R. (4th) 151 (F.C.T.D.) and concluded that under s.16 of the Act, that:

«...use of a trade-mark cannot be measured by the number of sales or the quantity of wares sold in association with the trade-mark.»

Therefore, it was ruled that, under s. 16 of the Act, all that needs to be established is prior use of the trade-mark in Canada. The evidence in the record, as discussed above, does show use of the Opponent's trade-mark. (invoices filed as schedule A-5 to Mr. Parizeau 's affidavit). Those invoices predate the Applicant's claimed date of first use of the Mark.

The Applicant argued that the documents filed as schedule A-5 are either an estimate of costs of the services to be performed or in other instances invoices issued to related entities and as such could not constitute use of the Opponent's trade-mark in the normal course of trade. To support the latter, the Applicant cited *Re: Nygard International Ltd.* [1999] T.M.O.B. No. 95, an unreported decision. The present file can be distinguished from such decision. First it dealt with a proceeding under s.45 of the Act. Secondly, there was only one invoice filed for a nominal

amount of \$52.17 to substantiate use of the trade-mark. Finally, the transaction in that case involved two divisions of the same company. There is no evidence in the record that the Opponent's invoices were addressed to some of its divisions. The corporate search performed by Ms. Cain falls short from establishing that the entities identified on the invoices filed as scheduled A-5 are in fact divisions of the Opponent. All these invoices bear an invoice number and a sales tax registration number. Finally the invoice addressed to T-Fal Canada contains the inscription «billed to date». If the Applicant wanted to have some explanation on the invoices it could have cross-examined the affiant. This is not a situation where the document contains serious ambiguities so that it could be interpreted against the Opponent.

Consequently, the Opponent has discharged its initial onus with respect to the third ground of opposition. Therefore, the burden shifts on the Applicant who must convince the Registrar, on a balance of probabilities, that the Mark is not likely to cause confusion with the Opponent's trade-mark OPTIC NERVE. Therefore I shall review the evidence in the context of the surrounding circumstances listed above. The Opponent did not elaborate in its written submissions, nor during the hearing, on the surrounding circumstances listed in s 6(5) of the Act and simply argued that the Mark is confusing with the Opponent's trade-mark OPTIC NERVE.

- i) The inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;

The Mark, when used in association with the Services, has some inherent distinctiveness. The Opponent's trade-mark OPTIC NERVE, when used in association with services in the field of graphic design, production of printed production and electronic, television and radio advertisements, is also inherently distinctive.

The Applicant has not filed any evidence of use of the Mark while the Opponent has filed some evidence of use of its trade-mark since at least January 2000. We do not know however to what extent the Opponent has used its trade-mark. Therefore we can only conclude that the Opponent's trade-mark is known in Canada to a limited extent. This factor does favour the Opponent.

- ii) The length of time the trade-marks or trade-names have been in use;

As discussed in the preceding paragraphs the Opponent has established use of its trade-mark since at least January 2000 while there is no evidence of use of the Mark by the Applicant. Consequently, this factor does also favour the Opponent.

- iii) The nature of the services and the trade of the respective parties

In general, when considering the nature of the services and trade of the parties, it is the statement of the services in the application that governs. [See *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.)] Evidence of the actual trades of the parties could be useful in reading the statement of services with a view of determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. [See *McDonald's Corp. v. Coffee Hut Stores Ltd.* (1996), 68 C.P.R. (3d) 168 (F.C.A.)] The parties failed to produce any evidence on the nature of their respective services and trade. I have some doubts as to the absence of a potential overlap. As the burden is on the Applicant, its failure to adduce any evidence that would enable the Registrar to conclude that there is no likelihood of potential overlap goes against the Applicant. Therefore this factor also favours the Opponent.

- iv) The degree of resemblance of the trade-marks

The Mark must not be dissected into its component or be carefully analysed but rather be considered in its entirety and as a matter of first impression. [See *Der Stabilisierungsfonds Fur Wein v. Jordan & Ste-Michelle Cellars Ltd.* (1986), 9 C.P.R. (3d) 535, *Comité Interprofessionel du Vin de Champagne v. Source Perrier* (1986), 13 C.P.R. (3d) 229 and *Deutscher Weinfonds v. Ridout Wines Ltd.* (1992), 45 C.P.R. (3d) 545] Mr. Justice Cattnach stated in *Beverly Bedding &*

Upholstery Co. v. Regal Bedding & Upholstery Ltd. (1980), 47 C.P.R. (2d) 145, conf. 60 C.P.R. (2d) 70:

“Realistically appraised it is the degree of resemblance between the trade-marks in appearance, sound or in ideas suggested by them that is the most crucial factor, in most instances, and is the dominant factor and other factors play a subservient role in the over-all surrounding circumstances.”

The Mark incorporates the Opponent’s trade-mark in its entirety. Therefore phonetically and visually there is some degree of resemblance. The addition of a minor design and the word «DESIGN» to the Applicant’s trade-mark is not sufficient to enable a consumer with an imperfect recollection of the Opponent’s trade-mark to distinguish it from the Mark. This factor also favours the Opponent.

From the evidence in the record, I conclude that there exists, on a balance of probabilities, a likelihood of confusion between the Mark and the Opponent’s trade-mark OPTIC NERVE when used in Canada in association with the Services. The Opponent is therefore successful on its third ground of opposition.

The issue of confusion would also be the determining factor in assessing the fourth ground of opposition (distinctiveness). The difference in the relevant date would not be a factor. Therefore the analysis made under the third ground of opposition would be equally be applicable to the fourth ground of opposition. Consequently, the Opponent is also successful under the fourth ground of opposition.

Having already ruled in favour of the Opponent under third and fourth ground of opposition, it is not necessary to determine the outcome of the second ground of opposition.

VII Conclusion

Having been delegated authority by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I refuse the Applicant's application to register the Mark, the whole pursuant to s. 38(8) of the Act.

DATED, IN MONTREAL, QUEBEC, THIS 5th DAY OF OCTOBER 2005.

Jean Carrière,
Member of the Trade-marks Opposition Board