

**IN THE MATTER OF AN OPPOSITION by
Platsch GmbH & Co. KG to Application
No. 1,038,472 for the trade-mark AMERICAN
GRAFIX SERVICE & Design filed by A.B.
Dick Company**

On December 3, 1999, A.B. Dick Company (the “Applicant”) filed an application to register the trade-mark AMERICAN GRAFIX SERVICE & Design (the “Mark”), claiming priority of a corresponding United States application. The Mark, as illustrated hereafter, has been applied for registration in association with the repair of graphic art equipment and attachments on the dual basis of proposed use in Canada and registration and use of the Mark in the United States. During prosecution, the Applicant filed a revised application withdrawing the priority claim.



The right to the exclusive use of AMERICAN and GRAFIX SERVICE (my underline) has been disclaimed apart from the Mark.

The application was advertised in the *Trade-marks Journal* of September 12, 2001. I note that the particulars of the application advertised in the *Trade-marks Journal* contained an error since they included the priority claim.

On November 13, 2001, a statement of opposition was filed by Platsch GmbH & Co. KG (the “Opponent”). The Applicant filed a counter statement on April 4, 2002. On February 24, 2004, the Opponent was granted leave to file an amended statement of opposition. On June 13, 2005, the Opponent was granted leave to file a further amended statement of opposition dated March 24, 2005. On February 9, 2006, the Applicant was granted leave to file an amended counter statement that essentially denied the grounds of opposition.

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

At the oral hearing, the Opponent withdrew the grounds of opposition based upon non-compliance with s. 30(d), s. 30(e) and s. 30(i) of the *Trade-marks Act* R.C.S. 1985, c. T-13 (the “Act”). Accordingly, the remaining grounds of opposition can be summarized as follows:

1. The application does not comply with the requirements of s. 30(a) of the Act in that the list of services is not stated in ordinary commercial terms.
2. The Mark is not registrable pursuant to s. 12(1)(d) of the Act because it is confusing with the Opponent’s registered trade-mark GRAFIX & Design for 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.
3. The Applicant is not the person entitled to registration of the Mark pursuant to s. 16(2)(a) and s. 16(3)(a) of the Act in view of the trade-marks GRAFIX and GRAFIX & Design previously used in Canada by the Opponent and its predecessor in title 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, and in view of the trade-marks GRAFIX NORTH AMERICA and GRAFIX NORTH AMERICA & Design previously used in Canada by the Opponent and its predecessor in title in association with maintenance and repair services for the Opponent's wares.
4. The Applicant is not the person entitled to registration of the Mark pursuant to s. 16(2)(b) and s. 16(3)(b) in view of Application No. 818,271 for the trade-mark GRAFIX & Design previously filed by the Opponent's predecessor in title.
5. The Applicant is not the person entitled to registration of the Mark pursuant to s. 16(2)(c) and s. 16(3)(c) in view of the trade name Grafix North America Inc. previously used in Canada by the Opponent and its predecessor in title in association with maintenance and repair services for the Opponent's wares.
6. The Mark is not distinctive in that the Mark does not distinguish and is not adapted to distinguish the services listed in the application from the Opponent's wares associated with the trade-marks GRAFIX and GRAFIX & Design and from the Opponent's maintenance and repair services associated with the trade-marks GRAFIX NORTH AMERICA and GRAFIX NORTH AMERICA & Design and the trade name Grafix North America Inc.

Opponent’s evidence

The evidence consists of affidavits of Hans P. Platsch and Robert C. Primeau.

Affidavit of Hans P. Platsch

Mr. Platsch has been the Managing Director of the Opponent since January 2001. He has also been the Managing Director of Grafix Zerstäubungstechnik GmbH, also known as Grafix GmbH (hereafter “Grafix GmbH”) since 1982. He is the main shareholder of the Opponent and of Grafix GmbH. Paragraphs 4 and 5 of his affidavit read as follows:

4. *Up until August 27, 2001, I was trading under the name Grafix and I was the owner of the trade-mark GRAFIX (hereinafter referred to as the “Opponent’s predecessor”). The Opponent’s predecessor licensed Grafix GmbH, its subsidiary, for the manufacture and sale of the GRAFIX products as described in paragraph (sic) 6 and 7 (hereinafter referred to as the “GRAFIX Products”) in accordance with its quality standards and requirements.*
5. *Since August 27, 2001, the Opponent is the owner of the GRAFIX trade-marks and the GRAFIX Products are still manufactured and sold by Grafix GmbH, under licence, in accordance with the Opponent’s quality standards and requirements.*

It is my understanding that Mr. Platsch himself, doing business under the name Grafix, was the Opponent’s predecessor in title (the “predecessor”). I would note that the GRAFIX products as described at paragraph 6 of the affidavit correspond to the statement of wares of Registration No. TMA507,663. The GRAFIX products as described at paragraph 7 of the affidavit correspond to the statement of wares and services of Application No. 1,053,781. I would also note that any ambiguity resulting from Mr. Platsch collectively referring to the wares and services as the GRAFIX Products will be resolved against the Opponent [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.)].

Mr. Platsch states that the Opponent and its predecessor have used in Canada the trade-mark GRAFIX & Design of Registration No. TMA507,663 since as early as 1987 and the trade-mark GRAFIX & Design of Application No. 1,053,781 since May 2000. He provides copies of the registration and application printed from the database Strategis on October 28, 2002. The footnotes of Registration No. TMA507,663 indicate that the Opponent became its owner by assignment of August 27, 2001 from Grafix Hans Platsch. The trade-marks GRAFIX & Design, collectively referred to by Mr. Platsch as the GRAFIX Marks, are illustrated hereafter:

Registration No. TMA507,663

Application No. 1,053,781



("registered mark")



("pending mark")

I consider that evidence of use of the pending mark within the meaning of s. 4 of the Act may amount to evidence of use of the registered mark and vice versa [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.)]. As well, any evidence of use of the registered mark or pending mark may amount to evidence of use of the trade-mark GRAFIX alleged in the statement of opposition.

Mr. Platsch states that the GRAFIX Products continuously sold in Canada under the GRAFIX Marks primarily cover two fields of printing, namely drying devices for printed ink films and powder spraying devices. The GRAFIX products are used to avoid printed sheets to stick together after printing. He adds that over the last 20 years, the Opponent, its predecessor and Grafix GmbH have developed products to enhance drying by ultraviolet radiation, infrared radiation and hot air dryers. Mr. Platsch provides copies of brochures stating that they are representative of brochures prepared for the customers of the Opponent and its predecessor. I note that there is no information with respect to the distribution of the brochures to Canadian consumers. I also note that the name "Grafix GmbH" or "Grafix GmbH Zerstäubungstechnik" followed by an address in Germany appears at the bottom of the back page of each brochure, but not the Opponent's name. While either the registered mark or pending mark appears in the brochures, it 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 four last brochures contain photographs illustrating the pending mark on a control panel, on powder spraying devices or on drying devices. Furthermore, Mr. Platsch provides labels that "are used in connection with the GRAFIX Products" that display the pending mark. While I am not satisfied that the brochures are sufficient for concluding that the pending

mark is applied to all the GRAFIX Products, I find it reasonable to conclude that the pending mark is affixed to some of them.

Mr. Platsch states that the GRAFIX Products are to a large part sold to the world leading manufacturers of printing presses. These manufacturers integrate the GRAFIX Products into complete printing plants. Mr. Platsch provides third parties' letters as evidence that printing machines incorporating GRAFIX Products have been imported to Canada. However, I am disregarding these letters as inadmissible hearsay evidence.

I reproduced hereafter paragraphs 14 and 15 of the affidavit:

14. A portion of the GRAFIX Products is also delivered by Grafix GmbH to the exclusive representative for the North American Territory, GRAFIX LLC (and previously to its predecessors in title GRAFIX NORTH AMERICA INC. and Stout Grafix Inc.). GRAFIX LLC and its predecessors have been acting as the exclusive representative of the Opponent in Canada since 1979 and for more than 20 years in the United States. Grafix LLC is a wholly owned subsidiary of Grafix GmbH.

15. Attached hereto and marked as Exhibit H are copies of various invoices relating to the maintenance and repair services provided in Canada over the years by GRAFIX NORTH AMERICA INC. under the trade-name GRAFIX NORTH AMERICA INC. These services are now performed by GRAFIX LLC since last spring.

I fully agree with the Applicant's submissions that the above allegations are ambiguous. Suffice it to say that Mr. Platsch does not indicate the period during which Grafix North America Inc. and Stout Grafix Inc. respectively acted as exclusive representative for the North American territory. Since there are not any details with respect to the activities of the exclusive representative, it may at the utmost be inferred that they involve the maintenance and repair services of the GRAFIX Products. In any event, since any ambiguity should be resolved against the Opponent, I am disregarding paragraphs 14 and 15. I would add that disregarding the invoices do not impact on the outcome of the case since the invoices are restricted to the years 1985, 1991, 1992 and 1997. In addition, the invoices display the name Grafix North America Inc., but not the trade-mark GRAFIX NORTH AMERICA & Design. I would also add that at the oral hearing, the agent for the Opponent acknowledged that there was not any evidence of use of the trade-mark GRAFIX NORTH AMERICA & Design.

Mr. Platsch states that the GRAFIX Products represent an important share of the printing apparatus sold by major manufacturers of printing plants. He provides the approximate volume of printing apparatus incorporating GRAFIX Products that would have been sold by major manufacturers of printing plants in North America in 1997. In addition to hearsay deficiency attaching to the figures that are from Grafix North America Inc., the figures have not been broken down by country. I am therefore not affording any weight to these figures and to the allegations of Mr. Platsch relating thereto.

Mr. Platsch states that the typical customers of GRAFIX Products sold throughout Canada by the Opponent's exclusive representative or through world leading manufacturers are printers, typically medium and large size printing centers, which are active in the field of printing magazines, colour catalogues and the like.

Finally, I do not afford any significance to Mr. Platsch's allegations with respect to the risk of confusion in the printing industry, as they relate to issues to be decided by the Registrar.

Affidavit of Robert C. Primeau

Mr. Primeau has been employed by Heidelberg Canada Graphic Equipment Limited ("HCGE") since 1987. At the date of his affidavit (October 31, 2002), he was Senior Vice-President, Finance & Operations of HCGE, a subsidiary of Heidelberg Druckmaschinen Aktiengesellschaft ("Heidelberg") located in Germany. According to Mr. Primeau, Heidelberg is one of the world largest manufacturers of printing machines. Mr. Primeau states that HCGE's share of the Canadian market has been approximately 50% over the ten years preceding the date of his affidavit.

Mr. Primeau states that Heidelberg's activities for the Canadian market include the provision of ready to use printing installations, including printing presses manufactured by Heidelberg and printing accessories manufactured either by Heidelberg, its subsidiaries or third parties, such as Grafix GmbH. Heidelberg incorporates some printing accessories provided by Grafix GmbH, such as powder sprayers and dryers, in the printing installations provided to its Canadian clients. Mr. Primeau states that these printing accessories bear the trade-mark GRAFIX.

Mr. Primeau estimates that within the ten years preceding the date of his affidavit, an average of about 30% of the printing installations sold in Canada by Heidelberg included printing accessories provided by Grafix GmbH. The typical customers of Heidelberg in Canada are printers, typically medium and large size printing centres active in the field of printing magazines, colour catalogues and the like.

I agree with the Applicant that there is no evidence that HCGE directly purchased printing accessories from the Opponent or its predecessor at any time whatsoever. I also agree with the Applicant that the sales of printing accessories by Grafix GmbH to Heidelberg are occurring in Germany. In addition, there are serious hearsay deficiencies attaching to the evidence introduced by Mr. Primeau regarding the activities of Heidelberg. There is no information to conclude that Mr. Primeau has access to Heidelberg's records or that he would have had access to these records, at any time whatsoever, since 1987. Further, no reasons were given as to why a person having direct knowledge of Heidelberg's activities could not have provided the evidence [see *R. v. Khan* [1990] 2 S.C.R. 531]. Accordingly, I am not satisfied that Mr. Primeau's affidavit constitutes reliable evidence of use of the GRAFIX Marks in association with the GRAFIX Products in Canada within the meaning of s. 4(1) of the Act.

Control issue

In completing my analysis of the Opponent's evidence, I need to address the Applicant's submissions that neither the Opponent nor its predecessor can benefit from the use of the GRAFIX Marks 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 Opponent 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.)].

I find it difficult to understand how Grafix GmbH could have been a subsidiary of Mr. Platsch in his capacity of predecessor of the Opponent. In any event, it is well established that corporate structure alone is insufficient to establish the existence of a license within the meaning of s. 50 of the Act. There must also be evidence that the owner controls the use of its trade-mark by subsidiaries and take steps to ensure the character and quality of the wares and services provided [see *MCI Multinet Communications Corp. v. MCI Multinet Communications Inc.* (1995), 61 C.P.R. (3d) 245 (T.M.O.B.); *Loblaws Inc. v. Tritap Food Broker* (1999), 3 C.P.R. (4th) 108 (T.M.O.B.)]. If the Opponent has control over the character or quality of the wares because Mr. Platsch is the main shareholder of both the Opponent 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, Mr. Platsch has been the Managing Director of Grafix GmbH since 1982 and the Managing Director of the Opponent since January 2001. I therefore find that an inference can be drawn that Grafix GmbH used the GRAFIX Marks under an oral licence from the Opponent and from its predecessor, or under an arrangement that was tantamount to an oral licence, and thus the GRAFIX Marks remained under the direct or indirect control of their owner [see *Lindy v. Registrar of Trade Marks* (1999), 241 N.R. 362 (F.C.A.)]. I am therefore satisfied that the Opponent has shown its entitlement to the benefit of s. 50(1) of the Act.

Applicant'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 use of these words appearing in proximity of the word "print". She provides the summaries of

her search results and copies of representative pages downloaded from various located websites. Copies of website pages cannot serve as evidence of third party use of trade-marks or trade names in Canada. At the utmost, they prove 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.

The case law makes it clear that state of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace. Moreover, inferences concerning the state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located [see *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432 (T.M.O.B.); *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.); *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)]. The Opponent contends that the only relevant trade-marks are those for the word “grafix”. The Opponent submits that apart from its GRAFIX Marks, only 7 trade-marks include the term “grafix” with only 2 being associated with relevant services.

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. Also, the evidence does not establish the type of business of

any of the entities listed in Exhibits A, C and D. 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. As a result, there is no evidence that any of the businesses listed in Exhibit A are in the relevant fields.

Analysis of the grounds of opposition

Section 30(a)

The material date for considering the circumstances with respect to this ground of opposition 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.)]. There is an initial evidential burden on the Opponent to establish the facts relied upon in support of the ground of opposition. Once this initial onus is satisfied, the Applicant has the burden to prove that the 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.)].

There are no allegations in the statement of opposition in support of the pleading that the services are not stated in ordinary commercial terms. While the Opponent did not file any evidence with respect to this ground of opposition, the Opponent did expand on its pleading in its written argument and at the oral hearing. In *McDonald's Corp. v. M.A. Comacho-Saldana International Trading Ltd.* (1984) 1 C.P.R. (3d) 101 (T.M.O.B.), the Hearing Officer concluded that it was only necessary for the opponents to present sufficient argument in order to meet their initial burden in respect of a s. 30(a) ground of opposition. As for the test to be applied, the Registrar of Trade-marks stated in *Dubiner v. Heede International Ltd.* (1975), 23 C.P.R. (2d) 128 that an applicant must clearly set forth wares or services as they are customarily referred to in the trade.

In its written argument, the Opponent submitted that the vague and broad description "graphic art equipment and attachments" does not indicate specifically what kind of equipment and

attachments are covered by the application and, as such, it is impossible to determine the specific nature of the repair services. At the oral hearing, the agent for the Opponent further submitted that the dictionary definitions introduced in evidence by the Applicant show that “graphic art equipment and attachments” may encompass a wide range of products. In support of its ground of opposition, the Opponent relies on the decision *Everything for a Dollar Store (Canada) Inc. v. Dollar Plus Bargain Centre Ltd.* (1998), 86 C.P.R. (3d) 269, where it was found that the statement of services “operating discount sales outlets for merchandise” did not comply with the requirements of s. 30(a) of the Act. In so finding Partington G.W., then Chair of this Board, stated that s. 30(a) of the Act “does require a measure of specificity in respect of the services covered in a trade-mark application”. However, I find that the decision *Everything for a Dollar* is clearly distinguishable from the present case. In my view, the Applicant correctly argued that the various decisions considered by Partington G.W. in *Everything for a Dollar* support a finding that the application complies with the requirement of s. 30(a) of the Act. Although the wares “graphic art equipment and attachments” might not be specific enough in a statement of wares, this is not the case in a statement of services.

Having regard to the foregoing, I dismiss the ground of opposition based upon non-compliance with s. 30(a) of the Act.

Section 12(1)(d)

Since the Opponent has discharged its initial burden of evidencing ownership of Registration No. TMA507,663, the burden of proof lies on the Applicant to convince the Registrar, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the registered mark. The material date for considering the issue of confusion pursuant to s. 12(1)(d) is the date of my decision [see *Park Avenue Furniture Corp v. Wickers/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.)].

The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same

person, whether or not the wares or services are of the same general class. In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; b) the length of time each has been in use; c) the nature of the wares, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them. Those criteria 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 Supreme Court of Canada in *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée et al* (2006), 49 C.P.R. (4th) 401 and *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 has discussed the appropriate process for assessing all the surrounding circumstances to be considered in determining whether two trade-marks are confusing.

In *Veuve Clicquot Ponsardin*, Mr. Justice Binnie discussed the test of confusion as follows:

20. The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the name Cliquot on the respondents' storefront or invoice, at a time when he or she has no more than an imperfect recollection of the VEUVE CLICQUOT trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks. As stated by Pigeon J. in Benson & Hedges (Canada) Ltd. v. St. Regis Tobacco Corp. (1968), [1969] S.C.R. 192 (S.C.C.), at p. 202:

It is no doubt true that if one examines both marks carefully, he will readily distinguish them. However, this is not the basis on which one should decide whether there is any likelihood of confusion.

...the marks will not normally be seen side by side and [the Court must] guard against the danger that a person seeing the new mark may think that it is the same as one he has seen before, or even that it is a new or associated mark of the proprietor of the former mark. (Citing in part Halsbury's Laws of England, 3rd ed., vol. 38, para. 989, at p. 590.)

In *Mattel, Inc.* Mr. Justice Binnie made the following comments with respect to the consumer:

56. *What, then, is the perspective from which the likelihood of a “mistaken inference” is to be measured? It is not that of the careful and diligent purchaser. Nor, on the other hand is it the “moron in a hurry” so beloved by elements of the passing-off bar: Morning Star Co-Operative Society Ltd. v. Express Newspapers Ltd., [1979] F.S.R. 113 (Ch. D.), at p. 117. It is rather a mythical consumer who stands somewhere in between, dubbed in a 1927 Ontario decision of Meredith C.J. as the “ordinary hurried purchasers”:* *Klotz v. Corson (1927), 33 O.W.N. 12 (Sup. Ct.), at p. 13.[...]*

[...]

58. *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. In the case of buying ordinary run-of-the-mill consumer wares and services, this mythical consumer, though of average intelligence, is generally running behind schedule and has more money to spend than time to pay a lot of attention to details. In appropriate markets, such a person is assumed to be functionally bilingual: Four Seasons Hotels Ltd. v. Four Seasons Television Network Inc. (1992), 43 C.P.R. (3d) 139 (T.M.O.B.). To those mythical consumers, the existence of trade-marks or brands make shopping decisions faster and easier. The law recognizes that at the time the new trade-mark catches their eye, they will have only a general and not very precise recollection of the earlier trade-mark, famous though it may be or, as stated in Coca-Cola of Canada Ltd. v. Pepsi-Cola Co. of Canada Ltd., [1942] 2 D.L.R. 657 (P.C.), “as it would be remembered by persons possessed of an average memory with its usual imperfections” (p. 661). The standard is not that of people “who never notice anything” but of persons who take no more than “ordinary care to observe that which is staring them in the face”:* *Coombe v. Mendit Ld. (1913), 30 R.P.C. 709 (Ch. D.), at 717. However, if ordinary casual consumers somewhat in a hurry are likely to be deceived about the origin of the wares or services, then the statutory test is met.*

It is with these general principles in mind that I will now assess the likelihood of confusion between the Mark and the registered mark.

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

The Opponent submits that the registered mark is inherently distinctive. The Opponent contends that since “grafix” is not a term of the English or French vocabulary, the fanciful spelling of the word “grafix” is an original and distinctive creation. I acknowledge that “grafix” is not a dictionary term. Nonetheless, it is obviously a corruption of the word “graphics”, which first meaning in *The Oxford Canadian Dictionary* is “the products of the graphic arts, esp. commercial design or illustration”. Insofar as the Mark is concerned, it is apparent that the Applicant recognized the descriptive connotation attaching to “American” and “grafix service”

by disclaiming the right to the exclusive use of AMERICAN and GRAPHIX SERVICE apart from the Mark in association with the services. Therefore, despite their design features, neither of the parties' trade-marks is inherently strong.

There is no evidence of use of the Mark. The Opponent's evidence does not allow me to reach any conclusion with respect to the extent to which the registered mark has become known in Canada. In addition, the most that I can presume from the mere existence of the registration is that there has been *de minimis* use of the registered mark [see *Entre Computer Centers, Inc. v. Global Upholstery Co.* (1992), 40 C.P.R. (3d) 427 (T.M.O.B.)]. Accordingly, the extent to which the trade-marks have become known is of little significance.

s. 6(5)(b): length of time the trade-marks have been in use

The Mark has been applied for registration on the dual basis of proposed use in Canada and registration and use of the Mark in the United States. I acknowledge that the registered mark has been registered on the basis of use in Canada since at least as early as 1987. With deference, however, I cannot agree with the Opponent's submission that it has shown continuous use of the registered mark for almost twenty years. In addition, while I have found reasonable to conclude that the registered mark is affixed to some of the GRAFIX Products, the Opponent has failed to provide reliable evidence showing use of the registered mark in Canada. Thus, the length of time the trade-marks have been used also becomes of little significance. As such, I do not find it necessary to address the Applicant's argument that the incorporation of GRAFIX Products in printing presses does not establish use of the GRAFIX Marks because it is the printing presses, rather than the GRAFIX products, that are being sold.

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

In considering the nature of the wares and services and the nature of the trade, it is the statement of services in the application and the statement of wares in the registration that govern the assessment of the likelihood of confusion under s. 12(1)(d) of the Act [see *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe, Inc. v. Bohna* (1994), 58 C.P.R. (3d) 381 (F.C.A.)].

The registered mark is associated 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”. The Opponent’s evidence is to the effect that the registered wares are mostly sold to manufacturers of printing plants who integrate the wares into printing installations, including printing presses, for medium and large size printing centers. The services associated with the Mark are the repair of graphic art equipment and attachments. There is no evidence from the Applicant with respect to its services and channels of trade.

Having regard to the evidence of record, I find it reasonable to conclude that the services of repairing graphic art equipment and attachments may be perceived as relating to the registered wares. I also find reasonable to conclude to an overlap between the channels of trade, in that printers of magazines, colour catalogues and the like, are likely to use the services of businesses involved in the repair of graphic art equipment and attachments.

I would note that the Applicant acknowledges a connection between its services and the registered wares. However the Applicant submits that the parties’ specialized wares and services would be marketed to sophisticated clientele, which will be careful in discriminating between the trade-marks, particularly since the word “grafix” is generic and common to the trade. Regardless of the deficiencies of the evidence introduced by the Applicant with respect to the common adoption of the word “graphics” or “grafix”, its argument may have had more merit if the Applicant had filed evidence with respect to its services and channels of trade.

In view of the above, I find that both the nature of the wares and services and the nature of the trade favor the Opponent.

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

The remaining criterion is the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested. In most instances, it is the dominant factor and other factors play a subservient role in the overall surrounding circumstances [see *Beverly Bedding & Upholstery*

Co. v. Regal Bedding & Upholstery Ltd., (1980) 47 C.P.R. (2d) 145, conf. 60 C.P.R. (2d) 70]. When considering this criterion, it is well established that the trade-marks must not be dissected into their components, but rather must be considered in their entirety.

I note that the following colours have been claimed as feature of the registered mark: the background is blue, the word GRAFIX is in white letters and the design is blue and white. I agree with the Applicant's submission that there are differences between the trade-marks when viewed in their entirety. Nonetheless, the word "grafix" clearly stands out in both trade-marks. Accordingly, I agree with the Opponent's submission that the word "grafix" in the Mark is likely the element that the consumer will remember. I acknowledge that the words "American" and "service" in the Mark result in differences between it and the registered mark when sounded. However, I do not consider that the words "American" and "services" result in important differences between the ideas suggested as they both refer to the word "grafix".

In my view, the overall consideration of the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested favors the Opponent.

In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. I find that there is a reasonable likelihood that the Mark will prompt the consumers to think that the services associated with the Mark come from the same source as the wares associated with the registered mark or are otherwise associated with the Opponent. As such, I do not need to consider the Opponent's argument with respect to the state of register evidence to find in its favour. Even if I would accept the Applicant's argument that the trade-marks involving "graphics" or "graphix" are relevant, I would at the outmost conclude that the state of the register evidence is a surrounding circumstance that evenly balances the probabilities between a finding of confusion and a finding of no confusion. As the onus is on the Applicant to establish on a balance of probabilities that the Mark is not confusing with the registered mark, I would still decide against the Applicant.

In view of the foregoing, I find that the Applicant has not discharged its burden of showing, on a balance of probabilities, that the Mark is not confusing with the registered mark. Accordingly, I

maintain the ground of opposition based upon confusion with the trade-mark GRAFIX & Design of Registration No. TMA507,663.

Non-entitlement

From the outset, I dismiss the non-entitlement grounds of opposition pursuant to s. 16(2)(b) and s. 16(3)(b) for having been improperly pleaded. The alleged application had already proceeded to registration (No. TMA507,663) at the advertisement date of the Mark [see *Governor and Co. of Adventurers of England trading into Hudson's Bay v. Kmart Canada Ltd.* (1997), 76 C.P.R. (3d) 526 (T.M.O.B.)].

The material date for considering the circumstances respecting the issue of entitlement pursuant to s. 16(2) and s. 16(3) of the Act is the filing date of the application. Despite the burden of proof on the Applicant to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the trade-marks and trade-name alleged in the statement of opposition, the Opponent has the initial onus of proving that its alleged trade-marks and trade-name were being used at the material date and had not been abandoned at the date of advertisement of the application [s. 16(5) of the Act].

Following my review of the Opponent's evidence, I am not satisfied that it has discharged its initial burden of evidencing prior use of any of the trade-marks alleged in support of the non-entitlement grounds of opposition. I therefore dismiss the grounds of opposition based upon s. 16(2)(a) and s. 16(3)(a) of the Act.

I also find that the Opponent did not discharge its initial evidential burden with respect to the grounds of opposition based upon s. 16(2)(c) and s. 16(3)(c) of the Act. Alternatively, since there is no evidence establishing ownership of the alleged trade-name, I would dismiss these grounds of opposition for having been improperly pleaded since the Opponent is restricted to relying upon prior use of the alleged trade-name by itself or its predecessor.

Distinctiveness

There was an initial burden on the Opponent to show that its alleged trade-marks and trade-name had become known sufficiently as of November 13, 2001 to negate the distinctiveness of the

Mark [see *Motel 6, Inc. v. No. 6 Motel Ltd.*, 56 C.P.R. (2d) 44 (F.C.T.D.); *Bojangles' International, LLC and Bojangles Restaurants, Inc. v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.T.D.); *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)]. Following my review of the Opponent's evidence, I conclude that the Opponent did not do so. Accordingly, 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 refuse the application 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