



LE REGISTRAIRE DES MARQUES DE COMMERCE  
THE REGISTRAR OF TRADE-MARKS

**Citation: 2013 TMOB 161**  
**Date of Decision: 2013-09-30**

**IN THE MATTER OF AN OPPOSITION  
by SiMPACT Strategy Group Inc. to  
application No. 1,360,804 for the trade-  
mark LBG Logo in the name of  
Corporate Citizenship Limited**

[1] SiMPACT Strategy Group Inc. (the Opponent) opposes registration of the trade-mark LBG Logo (shown below) (the Mark) that is the subject of application No. 1,360,804 by the Corporate Citizenship Company Limited (whose name was later changed to Corporate Citizenship Limited) (the Applicant):



(the Mark)

[2] Filed on August 23, 2007, the application is based on registration and use of the Mark in United Kingdom, and use in Canada since at least as early as April 19, 2001 in association with services that may be generally described as business management, consultation and administration services, financial auditing services, training and educational services in the field of business organisation, account auditing, and

evaluation of corporate citizenship. The statement of services is reproduced in its entirety in Schedule “A” to this decision.

[3] The Opponent alleges that: (i) the application does not conform to section 30(a), (b) and (d) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act); (ii) the Applicant is not the person entitled to registration of the Mark under section 16(2) of the Act; and (iii) the Mark is not distinctive under section 2 of the Act.

[4] The two issues to be resolved in this opposition are:

- I. Was the Applicant the person entitled to registration of the Mark at the priority filing date of the application?
- II. Was the Mark distinctive of the Applicant’s services at the filing date of the statement of opposition?

The first and the second issues both revolve around the likelihood of confusion between the Mark and the Opponent’s trade-name LBG Canada and trade-mark:



(LBG CANADA & Design)

For the reasons that follow, I find that the Applicant is not the person entitled to the registration and that the Mark is not distinctive of the Applicant’s services in view of the Opponent’s mark LBG CANADA & Design.

#### The Record

[5] The statement of opposition was filed by the Opponent on March 16, 2009. It was denied by the Applicant by counter statement filed on June 4, 2009.

[6] In support of its opposition, the Opponent filed the affidavit of Stephanie Robertson, President of the Opponent, sworn November 4, 2009. In support of its application, the Applicant filed the affidavit of David Logan, Director of the Applicant, sworn June 9, 2010, and a certified copy of the corresponding United Kingdom registration. Ms. Robertson and Mr. Logan were both cross-examined on their affidavits; the transcripts of their cross-examination along with the exhibits form part of the record. The Opponent filed a second affidavit of Stephanie Robertson, sworn August 3, 2011, as reply evidence pursuant to section 43 of the *Trade-marks Regulations*. No cross-examination was conducted on the reply affidavit.

[7] The Applicant filed an amended application deleting the section 16(1) basis of use in Canada on June 26, 2012. As such, the ground of opposition based on section 30(b) is moot. Similarly, the Opponent indicated in its written argument, and at the oral hearing, that it would not be pursuing the ground of opposition based on section 30(d) of the Act.

[8] Both parties filed written arguments and were represented at an oral hearing.

#### The Parties' Respective Burden or Onus

[9] The Applicant bears the legal onus of establishing, on a balance of probabilities that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd.* (1990), 30 CPR (3d) 293 (FCTD) at 298].

#### Issue No. I: Was the Applicant the person entitled to registration of the Mark at the priority filing date of the application?

[10] The material date for considering this ground of opposition is the priority filing date of the application for the Mark, namely March 22, 2007. For the reasons that follow, I accept the ground of opposition and decide this issue in favour of the Opponent. 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 Opponent's trade-mark LBG CANADA & Design and trade-name LBG Canada alleged in support of the ground of opposition based on sections 16(2)(a) and (c) of the Act, the Opponent has the initial onus of proving that its trade-mark and its trade-name were used or made known prior to March 22, 2007 and had not been abandoned at the date of advertisement of the application, namely January 14, 2009, pursuant to section 16(5) of the Act. Following a review of the Opponent's evidence, I am satisfied that the mark LBG CANADA & Design has become known to some extent and has been used in Canada since April 2005, prior to the priority filing date of the application, namely March 22, 2007. The Opponent's evidence also demonstrates that its mark had not been abandoned at the date of advertisement of the application, namely January 14, 2009.

[11] Ms. Robertson attests to the promotion and use of the Opponent's mark, LBG CANADA & Design, in Canada. Founded in 2004, the Opponent's primary business is to operate LBG Canada, a benchmarking group made up of "companies working to improve and standardize the way in which they value and measure corporate community investment" in Canada. In exchange for membership fees, the Opponent provides services in the field of benchmarking of corporate citizenship.

[12] According to the affiant, the founding members joined LBG Canada in April 2005, which corresponds to the alleged date of first use of the Opponent's mark. In support of her assertion of promotion and use of the Opponent's mark, Ms. Robertson attaches the following documents bearing the mark LBG CANADA & Design: a copy of the framework of LBG Canada dated April 2005 (Exhibit 4), a copy of her business card distributed since 2005 (Exhibit 11), a community code adopted by the founding members of LBG Canada on November 30, 2006 (Exhibit 5), a copy of the Opponent's public benchmarking report of 2008 (Exhibit 12), and a representative presentation on LBG Canada dated June 8, 2009 given at conferences since 2005 (Exhibit 8).

#### The test for confusion

[13] Since the Opponent has satisfied its initial evidential burden, the issue becomes whether the Applicant has met its legal burden to establish, on a balance of probabilities,

that there is no reasonable likelihood of confusion between the Mark and LBG CANADA & Design.

[14] 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.

[15] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks 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 in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al* (2006), 49 CPR (4th) 401 (SCC); and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) for a thorough discussion of the general principles that govern the test for confusion.]

[16] In *Masterpiece*, the Supreme Court of Canada discussed the importance of section 6(5)(e) in conducting an analysis of the likelihood of confusion. Specifically, the Court noted that the degree of resemblance is the statutory factor that is often likely to have the greatest effect on the confusion analysis; the other factors become significant only once the marks are found to be identical or very similar.

[17] I will now turn to the assessment of the likelihood of confusion between the Mark and LBG CANADA & Design having regard to the surrounding circumstances of this case, starting with the degree of resemblance between the marks.

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

[18] When considering the degree of resemblance, the law is clear that the trade-marks must be considered in their totality; it is not correct to lay them side by side and compare and observe similarities or differences among the elements or components of the trade-marks. For the reasons that follow, I find that there is a significant degree of resemblance between the two marks in appearance, sound and in the ideas suggested. This factor favours the Opponent.

[19] The two parties' trade-marks are nearly identical; the only element that distinguishes one mark from the other is the addition of the word CANADA set out at the bottom of the Opponent's mark. In this regard, David Logan, the Director of the Applicant, explains in his affidavit that the Opponent's mark, LBG CANADA & Design, was developed in consultation with the Applicant in 2004/2005. He indicates that there was an understanding amongst the local groups that each national benchmarking group would be identified by the same pyramid design and LBG lettering as the Mark, with the addition of the country name at the bottom of the logo. In support, a copy of the December 7 to 20, 2004 email exchanges between the parties related to the development of the Opponent's mark and a copy of the notes from a September 2005 meeting attended by multiple parties, including the Opponent and the Applicant, documenting the decision to maintain common logo standards, were attached as Exhibit 6 of the Logan affidavit.

*Section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which they have become known*

[20] The overall consideration of the section 6(5)(a) factor, which involves a combination of inherent and acquired distinctiveness of the parties' trade-marks, favours the Opponent. Both marks are inherently distinctive. In terms of acquired distinctiveness, there is no evidence of promotion or use of the Mark by the Applicant in Canada, while the Opponent has shown evidence of use of its mark in Canada. Accordingly, I am satisfied that the Opponent's mark LBG CANADA & Design has become known in Canada to a greater extent than the Applicant's unused Mark.

[21] Both trade-marks at issue have some inherent distinctiveness. On this note, marks comprised of letters of the alphabet, i.e. LGB, are inherently weak [*GSW Ltd v Great West Steel Industries Ltd et al* (1975), 22 CPR (2d) 154 (FCTD)]. In the case of the Opponent's mark, the word CANADA is also inherently weak since it is clearly descriptive of the character of the Opponent's services. However, the addition of the pyramid design contributes to the inherent distinctiveness of both marks.

[22] The strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use. The Applicant contends that the Mark was well known throughout the world, including Canada, as of the Opponent's public launch date, namely April 21, 2006, and continues to be well known today. In this regard, the Applicant submits that the Mark had been in continuous use by members of its own national benchmarking group in the United Kingdom and other national benchmarking groups around the world, including the Opponent in Canada, under license since the creation of the logo in March/April 2002.

[23] In support, Mr. Logan references numerous discussions and proposals between the Applicant and the various national benchmarking groups, including the Opponent, regarding the questions of ownership and registration of the Mark and its variations, from 2005 to 2007. Mr. Logan provided a copy of a 2007 Facilitator Agreement signed by the Opponent and the Applicant in October and November 2007 respectively as Exhibit 13 to his affidavit. The document details the terms of a partnership between the two parties, including the use of the Mark. However, the evidence demonstrates that the Applicant rendered the agreement void in December 2007 due to a disagreement regarding the fee structure surrounding the partnership. The Applicant eventually issued a new agreement in 2009, but the Opponent has declined to sign the document.

[24] While the Opponent acknowledges that discussions took place with the Applicant regarding ownership and protection of the Mark and its variations, it refutes any allegation of a licensing agreement, or any corporate relationship, between the two parties, other than the 2007 Facilitator Agreement that was rescinded by the Applicant shortly after signature. Ms. Robertson states in her affidavit that the Opponent remains

completely independent of the Applicant and that at no time did the Applicant exercise any direction or control over either the Opponent's activities or its uses of the mark LBG CANADA & Design.

[25] Use of a trade-mark by a licensee is deemed to be use by the owner if the requirements of section 50(1) of the Act are met. In the present case, while there were clearly discussions between the two parties for many years regarding business opportunities including the use of the Mark, there is no evidence of any valid licensing agreement between the Applicant and the Opponent. The only documentary evidence that could potentially support the Applicant's allegation of a licensing agreement is found in the 2007 Facilitator Agreement, which was rescinded by the Applicant shortly after signature. Moreover, the Applicant did not provide any evidence of control over the character or quality of the services provided by the Opponent. When the evidence is considered in its entirety, I am unable to conclude that the use of the mark LBG CANADA & Design by the Opponent enured to the benefit of the Applicant pursuant to section 50(1) of the Act.

*Section 6(5)(b) – the length of time the trade-marks have been in use*

[26] The overall consideration of the section 6(5)(b) factor favours the Opponent. The application for the Mark, as amended, is solely based on registration and use abroad; as mentioned earlier, there is no evidence of use of the Mark by the Applicant in Canada to date. By comparison, I am satisfied that the Opponent has used LBG CANADA & Design in association with its services within the meaning of section 4(2) of the Act since April 2005.

[27] On this note and in the alternative to its argument regarding licensing, the Applicant alleges that the Opponent has misappropriated the Mark and has unjustly benefitted from the Applicant's goodwill and reputation and continues to do so. In support, the Applicant references the relationship and the ongoing negotiations between the parties, and in this regard relies on the case of *McCabe v Yamamoto & Co. (America) Inc. et al.* (1989) 23 CPR (3d) 498 (FCTD). The present case is distinguishable from the *McCabe* case in that the present case does not involve the misappropriation of a



company's trade-mark by a distributor in violation of an agreement between the parties. Moreover, the Federal Court in *McCabe* had evidence of a finding by a U.S. Court that the respondent's use of the trade-mark was an infringement of the appellant's rights in the cited case; this is not the case here.

[28] Unfortunately, the present opposition appears to flow from an apparent falling out between businesses. However, when all things are considered, there is no clear evidence that the Opponent's use of the mark LBG CANADA & Design was unlawful. First, the evidence demonstrates that the Applicant was fully aware of the Opponent's use of LBG CANADA & Design since 2005, a mark that was developed in consultation with the Applicant. Aside from the short lived 2007 Facilitator Agreement that was ultimately rescinded by the Applicant itself, there was never any licensing agreement between the parties regarding the use of the Mark and its variations. Second, the Applicant did not present any evidence regarding its reputation and goodwill in Canada as of the Opponent's date of first use, namely April 2005. In fact, the Opponent appears to have developed its own goodwill in association with LBG CANADA & Design since that time. Third, while there had been discussions regarding the registrations of the Mark and its variations since then, the Applicant was never opposed to the Opponent's use of its mark until 2009, when this proceeding began.

[29] In view of the foregoing, I am satisfied that the Opponent can rely on its use of the trade-mark LBG CANADA & Design in support of its grounds of opposition.

*Sections 6(5)(c) and (d) – the nature of the services, trade and business*

[30] Sections 6(5)(c) and (d) factors, which involve the nature of the services, trade and business, favour the Opponent. It is clear that both parties provide the same type of services to an overlapping corporate clientele. While the Opponent's business focuses on the Canadian market, the Applicant's business goes beyond the borders of the United Kingdom. Their channels of trade could potentially overlap.

[31] The Opponent's services involve building a benchmarking group in Canada and appear to be targeted at Canadian businesses. It describes the services provided in

association with the mark LBG CANADA & Design as training, consulting, educational, and instructional services related to business investments in a community service organization or project. This includes assisting businesses in developing strategies, implementing standards, as well as measuring and managing their investments into such organizations or projects. The evidence also demonstrates that the mark has also been used in association with organizing and managing an association of businesses that invest in community organizations or projects, in addition to collecting, analyzing and reporting related information. The list of services as pleaded by the Opponent is reproduced in its entirety in Schedule “A” to this decision.

[32] By comparison, the Applicant’s statement of services include business management, consulting, and administration services, auditing services, as well as training, educational and instructional services related to business consulting, auditing, benchmarking and evaluation of corporate citizenship. In his affidavit, Mr. Logan states that the Mark has been adopted by various national benchmarking groups around the world to identify their adherence to the LBG Model, including the Applicant’s own group in the United Kingdom. The latter is made up of companies based in London “including members from the Middle East, USA and other European countries”, led by a steering group of nine international companies.

[33] In light of the similarity between the parties’ services, this factor favours the Opponent.

*Conclusion in the likelihood of confusion*

[34] To the extent that it revolves around confusion with the Mark and the mark LBG CANADA & Design, the non-entitlement ground of opposition is successful. In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. Having considered all of the surrounding circumstances, in particular, the striking similarities between the parties’ trade-marks in appearance and sound, as well as in ideas suggested, evidence of the Opponent’s mark being used in Canada, the similarities in the parties’ services, and the potential for overlap between of the channels of trade, I am not satisfied that the Applicant has discharged its burden of showing, on a

balance of probabilities, that there is no reasonable likelihood of confusion between Mark and LBG CANADA & Design.

[35] As I find that comparing the Mark with LBG CANADA & Design effectively decided the outcome of this ground of opposition, it is not necessary to consider whether the Opponent has discharged its evidential burden for its trade-name LBG Canada.

Issue No. II: Was the Mark distinctive of the Applicant's services at the filing date of the statement of opposition?

[36] The ground of opposition as pleaded is based upon the likelihood of confusion between the Mark and the Opponent's mark LBG CANADA & Design and trade-name LBG Canada. The material date to assess the ground of opposition is the filing date of the statement of opposition, namely March 16, 2009 [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)]. To the extent that it revolves around confusion with the Mark and the mark LBG CANADA & Design, the non-distinctiveness ground of opposition is successful.

[37] In order to meet its initial burden, the Opponent was required to show that its trade-mark LBG CANADA & Design and its trade-name LBG Canada have become known sufficiently in Canada, as of the filing date of the statement of opposition, to negate the distinctiveness of the Mark [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*; *Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 (FCTD); and *Bojangles' International LLC v Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (FC)]. I am satisfied that the Opponent has met its evidential burden to establish that its mark LBG CANADA & Design had become known sufficiently in Canada, as of March 16, 2009, to negate the distinctiveness of Mark.

[38] On this point, as discussed previously under the section 6(5)(b) factor, there is no clear evidence that the use of the mark LBG CANADA & Design by the Opponent has been unlawful. I am therefore satisfied that the Opponent can rely on its use of the mark LBG CANADA & Design to form the basis of the non-distinctive ground of opposition.

[39] Assessing each of the section 6(5) factors as of March 16, 2009 does not significantly impact my previous analysis of the surrounding circumstances of this case, for reasons similar to those expressed previously. Accordingly, I find that the Applicant has not discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the trade-marks at issue.

[40] As I find that comparing the Mark with LBG CANADA & Design effectively decided the outcome of this ground of opposition, it is not necessary to consider whether the Opponent has discharged its evidential burden for its trade-name LBG Canada.

Issue No. III: Does the statement “business management, business organisation consulting, business administration” identify specific services in ordinary commercial terms?

[41] As I have found in favour of the Opponent on two separate grounds of opposition, there is no need for me to rule on the ground of opposition based on non-conformity with section 30(a) of the Act.

#### Disposition

[42] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application under section 38(8) of the Act.

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Darlene H. Carreau  
Chairperson  
Trade-marks Opposition Board  
Canadian Intellectual Property Office

Schedule "A"

Applicant's Mark



Services

Business management, business organisation consulting, business administration; auditing of financial information; providing of training services in the fields of business organisation consulting, account auditing, and evaluation of corporate citizenship; educational services, namely, workshops and seminars in the fields of benchmarking of corporate citizenship; instructional services in the fields of business organisation consulting, account auditing, and evaluation of corporate citizenship; conducting of instructional seminars in the fields of business organisation consulting, account auditing, and evaluation of corporate citizenship

Opponent's  
Trade-mark



Services

(1) Providing training, business consulting, educational, instructional services relating to: (1) a business organization's investment of money, time, materials, products, labor, services, resources or expertise in a community service organization or project; (2) assisting a business organization in developing strategies and goals relating to their investment of money, time, materials, products, labor, services, resources or expertise in a community service organization or project; (3) assisting a business organization in developing and implementing a standardized organization of business information relating to their investment of money, time, materials, products, labor, services, resources or expertise in a community service organization or project; (4) assisting a business organization in measuring and improving the accomplishment of their developed strategies and goals in relation to their investment of money, time, materials, products, labor, services, resources or expertise in a community service project and in comparing the measurement of their accomplishments against other business organizations making similar investments in community service organizations or projects; (5) assisting a business organization in managing their investment of money, time, materials, products, labor, services, resources or expertise in a community service organization or project.

Opponent's  
Trade-name

LBG Canada

(2) Organizing and managing an association of business organizations that invest money, time, materials, products, labor, services, resources or expertise in community service organizations or projects; collecting, analyzing and summarizing standardized business information from an association of business organizations that invest money, time, materials, products, labor, services, resources or expertise in community service organizations or projects and reporting such information to the members of such an organization.