

IN THE MATTER OF AN OPPOSITION by The Governor and Company of Adventurers of England trading into Hudson's Bay, commonly called Hudson's Bay Company to application No. 763,608 for the trade-mark BAY NETWORKS filed by WELLFLEET COMMUNICATIONS, INC., now Bay Networks, Inc.

On September 9, 1994, the applicant, WELLFLEET COMMUNICATIONS, INC., filed an application to register the trade-mark BAY NETWORKS based on proposed use of the trade-mark in Canada in association with

“Computers and parts thereof; computer hardware used in communications networks, namely, interface units, control units, add-on circuit boards, routers, bridges, and communications processors; computer software; computer programs for use in communications networks, namely, computer programs for accessing communications networks, computer programs which control and modulate transmission in computer networks, computer programs which monitor the efficiency of computer networks, and computer programs which control the security of computer networks.”

and in association with:

“Maintenance services for computer hardware and software, consulting services in the field of computers, and computer customization services”.

The applicant disclaimed the right to the exclusive use of the word NETWORKS apart from its trade-mark. Further, subsequent to filing its application, the applicant changed its name to Bay Networks, Inc.

The present application was advertised for opposition purposes in the *Trade-marks Journal* of June 21, 1995 and the opponent, The Governor and Company of Adventurers of England trading into Hudson's Bay, commonly called Hudson's Bay Company, filed a statement of opposition on November 3, 1995, a copy of which was forwarded to the applicant on November 30, 1995. The applicant served and filed a counter statement in response to the statement of opposition on April 1, 1996. The opponent elected not to file any evidence at the Rule 41(1) stage while the applicant submitted as its evidence the affidavits of David Rynne and Gay Owens pursuant to Rule 42(1) of the *Trade-marks Regulations*. The opponent filed as evidence in reply the affidavit of Patricia A. Whais. Further, the applicant requested and was granted leave to file the affidavit of Gregory W. Dombroski as further evidence pursuant to Rule 44(1) of the *Regulations*. Both parties submitted written arguments and the applicant alone was represented at an oral hearing

The following are the grounds of opposition asserted by the opponent in its statement of opposition:

a) The present application does not comply with subsection 30(i) of the *Trade-marks Act* in that the applicant could not have stated that it was entitled to use the applied for trade-mark in Canada in association with the wares and services covered in the present application in view of the opponent's prior use and registration of its trade-marks identified below.

b) The applied for trade-mark is not registrable having regard to the provisions of paragraph 12(1)(d) of the *Trade-marks Act* in that the applicant's trade-mark BAY NETWORKS is confusing with the registered trade-marks set out below:

<u>Trade-mark</u>	<u>Registration No.</u>
THE BAY	366,999
BAYCREST	UCA29284
BAYCREST PLUS	279,229
THE BAY	306,724
THE BAY	325,413
THE BAY Design	328,458
THE BAY Design	367,904

c) The applicant is not the person entitled to registration in view of paragraph 16(3)(a) of the *Trade-marks Act* in that, as of the filing date of the present application, the applicant's trade-mark was confusing with the following trade-marks which were previously used in Canada by the opponent in association with *inter alia* the wares and/or services set out below:

<u>Trade-mark</u>	<u>Registration No.</u>	<u>Wares/Services</u>
THE BAY	366,999	Operation of outlets dealing in the retail distribution of merchandise including computer hardware and accessories and computer software.
BAYCREST	UCA29284	Electronic goods, namely speakers, cassette recorders, headphones and digital clock radios.
BAYCREST PLUS	279,229	Electronic goods, namely audio speakers, turntables, receivers, headphones and tape recorders.
THE BAY	306,724	Operation of a retail department store selling electric and electronic goods including computer hardware and accessories and computer software.
THE BAY	325,413	Electronic goods, namely television sets, record players, radios, recorders; hi-fi and stereo components, namely, playback units, tape decks, record changers, amplifiers, speakers, earphones, stands, headphones, batteries, blank tapes, adapters, cords and microphones. Electric appliance installation and repair services
THE BAY Design	328,458	Electric appliance installation and repair services

d) The applicant is not the person entitled to registration in view of paragraph 16(3)(c) of the *Trade-marks Act* in that, as of the filing date of the present application, the applicant's trade-mark was confusing with the trade-name THE BAY previously used by the opponent in Canada in association with the operation of retail department stores selling, among other things, computer hardware and accessories and computer software, electronic goods and in the provision of its electrical appliance installation and repair services.

e) The applied for trade-mark is not distinctive in that it does not actually distinguish the wares and services in association with which it is intended to be used by the applicant from the wares and services of others including the wares and services of the opponent offered in association with the opponent's trade-marks identified above, nor is the trade-mark adapted so as to distinguish the applicant's wares and services.

With respect to the first ground, the opponent has alleged that the applicant could not have been satisfied that it was entitled to use the trade-mark BAY NETWORKS in Canada in view of its registration and use of its trade-marks identified above. While the legal burden is on the applicant to show that its application complies with subsection 30(i) of the *Trade-marks Act*, there is an initial evidential burden on the opponent in respect of its section 30 ground [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp.329-330]. However, no evidence has been furnished by the opponent to show that the applicant could not have been satisfied that it was entitled to use its trade-mark BAY NETWORKS in Canada on the basis *inter alia* that its trade-mark is not confusing with the opponent's trade-marks or trade-name. Thus, the success of this ground is contingent upon a finding that the trade-marks and trade-name at issue are confusing, as alleged in the remaining grounds of opposition [see *Consumer Distributing Co. Ltd. v. Toy World Ltd.*, 30 C.P.R. (3d) 191, at p.195; and *Sapodilla Co. Ltd. v. Bristol-Myers Co.*, 15 C.P.R. (2d) 152, at p.155]. I will therefore consider the remaining grounds of opposition.

The third and fourth grounds relate to the applicant's entitlement to registration of the trade-mark BAY NETWORKS. Having regard to the provisions of paragraphs 16(3)(a) and (c) and subsections 16(5) and 17(1) of the *Trade-marks Act*, there is a burden on the opponent to show that it used its trade-marks and trade-name in Canada prior to the applicant's filing date, as well as to show that it had not abandoned its trade-marks and trade-name as of the date of advertisement of the present application. In the present case, the opponent had not adduced any evidence relating to its

use of any of its trade-marks or its trade-name and has therefore failed to meet the burden on it under subsections 16(5) and 17(1) of the *Act*. I have therefore dismissed these grounds of opposition. Further, with respect to the final ground, there is an evidential burden on the opponent to establish the facts being relied upon by it in support of the alleged non-distinctiveness of the applicant's mark. As no evidence has been furnished by the opponent in support of this ground, the opponent has not met the evidential burden on it. Consequently, this ground of opposition is also unsuccessful.

The only remaining ground is based on paragraph 12(1)(d) of the *Trade-marks Act* and it turns on the issue of confusion between the applicant's trade-mark BAY NETWORKS as applied to the wares and services covered in the present application and the opponent's registered trade-marks identified above. In determining whether there would be a reasonable likelihood of confusion between the trade-marks at issue, the Registrar must have regard to all the surrounding circumstances including, but not limited to, the criteria which are specifically enumerated in subsection 6(5) of the *Trade-marks Act*. As well, the Registrar must bear in mind that the legal burden is on the applicant to establish that there would be no reasonable likelihood of confusion between its trade-mark BAY NETWORKS and one, or more, of the opponent's registered trade-marks as of the date of my decision, the material date for considering the paragraph 12(1)(d) ground [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks*, 37 C.P.R. (3d) 413 (F.C.A.)].

While the opponent has not filed copies of its registrations as evidence, the Registrar does have the discretion, in view of the public interest to maintain the purity of the register, to check the register in order to confirm the existence of the registrations relied upon by the opponent [see *Quaker Oats of Canada Ltd./ La Compagnie Quaker Oats du Canada Ltée v. Menu Foods Ltd.*, 11 C.P.R. (3d) 410]. In doing so, I noted that the opponent's registrations are presently in good standing and cover *inter alia* the following wares and services:

<u>Trade-mark</u>	<u>Registration No.</u>	<u>Wares/Services</u>
THE BAY	366,999	Operation of outlets dealing in: the retail

		distribution of general merchandise and food products; credit service relating to retail distribution of general merchandise and food products.
BAYCREST	UCA29284	Speakers, cassette recorders, headphones and digital clock radio AM.
BAYCREST PLUS	279,229	Audio equipment, namely, speakers, turntables, receivers, headphones and tape recorders.
THE BAY	306,724	Operation of a department store.
THE BAY	325,413	Television sets, record players, radios, recorders; hi-fi and stereo components, namely, playback units, tape decks, record changers, amplifiers, speakers, earphones, stands, headphones, batteries, blank tapes, adapters, cords and microphones. Electric appliance installation and repair services.
THE BAY Design	328,458	Television sets, record players, radios, recorders; hi-fi and stereo components, namely playback units, tape decks, record changers, amplifiers, speakers, earphones, stands, headphones, batteries, blank tapes, adapters, cords and microphones. Radio and television repair services.
THE BAY Design	367,904	Retail distribution of general merchandise and food products; credit service relating to retail distribution of general merchandise and food products.

Considering initially the inherent distinctiveness of the trade-marks at issue [para.6(5)(a)], both the applicant's trade-mark BAY NETWORKS when considered in its entirety as applied to the wares and services covered in the present application and the opponent's registered trade-marks THE BAY, THE BAY Design, BAYCREST and BAYCREST PLUS as applied to the wares and services covered in the opponent's registrations are inherently distinctive.

With respect to the extent to which the trade-marks at issue have become known [para.6(5)(a)] and the length of time the marks have been in use [para.6(5)(b)], no evidence has been submitted by the opponent relating to its use of any of its trade-marks and I must therefore conclude for the purposes of this opposition that none of its registered trade-marks have become known to any extent in Canada. On the other hand, the Dombroski affidavit establishes that the applicant's trade-

mark BAY NETWORKS has become known in Canada in association with the wares covered in the present application. In this regard, Gregory Dombroski, Director of Finance of Bay Networks Canada, Inc., a wholly-owned subsidiary of the opponent and the opponent's distributor of its BAY NETWORKS wares in Canada, states that his company has sold BAY NETWORKS wares since January 1995 and has identified the annual sales from 1995 to 1998, the total during this time in US dollars exceeding \$243,000,000. Thus, for the purposes of this opposition, I find that both the extent to which the trade-marks at issue have become known and the length of time the marks have been in use favour the applicant.

As for the nature of the wares and services of the parties [para.6(5)(c)] and the nature of the trade associated with those wares and services [para.6(5)(d)], it is the applicant's statements of wares and services and the statements of wares and services covered in the opponent's registrations identified above which must be considered in assessing the likelihood of confusion in relation to the paragraph 12(1)(d) ground [see *Mr. Submarine Ltd. v. Amandista Investments Ltd.*, 19 C.P.R.(3d) 3, at pp.10-11 (F.C.A.); *Henkel Kommanditgesellschaft v. Super Dragon*, 12 C.P.R.(3d) 110, at p.112 (F.C.A.); and *Miss Universe, Inc. v. Dale Bohna*, 58 C.P.R.(3d) 38,1 at pp.390-392 (F.C.A.)]. However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. In this regard, evidence of the actual trades of the parties may be useful [see *McDonald's Corporation v. Coffee Hut Stores Ltd.*, 68 C.P.R.(3d) 168, at p.169 (F.C.A.)].

In the present case, I find there to be little similarity between the applicant's computers and parts thereof and its computer hardware, computer software and computer programs for use in communications networks and the wares covered in registration Nos. UCA29284, 279,229, 325,413 and 328,458 which include speakers, cassette recorders, headphones, radios, turntables, receivers, tape recorders, television sets, record players, recorders and hi-fi and stereo components, namely, playback units, tape decks, record changers, amplifiers, earphones, stands, batteries, blank tapes, adapters, cords and microphones. Further, I find there to be no similarity between the applicant's wares and the opponent's services covered in registration Nos.366,999, 306,724, 325,413, 328,458 and 367,904 which include: the retail distribution of general merchandise and food products; the

operation of outlets dealing in the retail distribution of general merchandise and food products; the operation of a department store; electric appliance installation and repair services; and radio and television repair services.

As for the applicant's services which include maintenance services for computer hardware and software, consulting services in the field of computers, and computer customization services, I find these services to bear no similarity to the opponent's retail distribution of general merchandise and food products and the operation of outlets dealing in the retail distribution of general merchandise and food products and its operation of a department store. Further, the applicant's maintenance services for computer hardware and software are, in my view, quite distinct from the opponent's repair services for radios and televisions and its electric appliance installation and repair services. Moreover, there is in my view no similarity between the applicant's services or any of the wares covered in the opponent's registrations.

As for the nature of the trade associated with the trade-marks at issue, there could well be a potential overlap in the nature of the trade of the parties in that the applicant's computers and parts thereof and the opponent's speakers, cassette recorders, headphones, radios, turntables, receivers, tape recorders, television sets, record players, recorders and hi-fi and stereo components, namely, playback units, tape decks, record changers, amplifiers, earphones, stands, batteries, blank tapes, adapters, cords and microphones might potentially be sold to consumers through the same retail outlet. However, the wares covered in the present application and the opponent's television sets and stereo equipment are not wares which the average consumer would purchase in a hurried manner, thus minimizing any reasonable likelihood of confusion between the trade-marks at issue. Further, I would not expect there to be any overlap in the nature of the trade associated with the applicant's computer hardware used in communications networks, and computer software and computer programs for use in communications networks and any of the wares and services covered in the opponent's registrations. Likewise, I consider there to be no similarity in the nature of the trade associated with the applicant's maintenance services for computer hardware and software, consulting services in the field of computers, and computer customization services and the opponent's retail distribution of general merchandise and food products and the opponent's wares or its operation of

outlets dealing in the retail distribution of general merchandise and food products, its operation of a department store, or its repair services for radios and televisions and its electric appliance installation and repair services.

Considering the degree of resemblance between the trade-marks at issue [para.6(5)(e)], the applicant's trade-mark BAY NETWORKS bears some similarity in appearance to the opponent's trade-marks THE BAY and THE BAY Design trade-marks in that the applicant's mark includes as an initial element the dominant element of the opponent's marks. On the other hand, the trade-marks differ in sounding and do not suggest any particular idea in common. Likewise, when considered in their entireties, there is at least some minor degree of similarity in appearance between the applicant's trade-mark BAY NETWORKS and the opponent's registered trade-marks BAYCREST and BAYCREST PLUS due to the initial element or prefix BAY although there is very little similarity in the sounding and no similarity in the ideas suggested by these marks.

As a further surrounding circumstance in respect of the issue of confusion, the applicant adduced state of the register evidence by way of the affidavit of Gay J. Owens. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace [see *Ports International Ltd. v. Dunlop Ltd.*, 41 C.P.R.(3d) 432; and *Del Monte Corporation v. Welch Foods Inc.*, 44 C.P.R.(3d) 205 (F.C.T.D.)]. Also, the decision of the Federal Court of Appeal in *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.*, 43 C.P.R.(3d) 349 (F.C.A.) supports the proposition that inferences about the state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located. In the present case, the Owens affidavit disclosed the existence of eight registrations for trade-marks including the word or element BAY as applied to computer related wares or services standing in the names of six different owners. However, the FRISCO BAY & Design marks cover services unrelated to those covered in the opponent's registrations and the present application and therefore these marks are of little relevance to the issue of confusion between the marks of the parties. In any event, given the limited number of relevant trade-mark registrations uncovered by Ms. Owens, I am not prepared to conclude that any of these marks is in use in the marketplace in Canada. Thus, the state of the register evidence is of little assistance to the applicant in this proceeding.

Having regard to the above and, in particular, to the differences in the wares and services of the parties and the limited degree of resemblance in appearance, sounding or in the ideas suggested by the trade-marks at issue, I have concluded that there would be no reasonable likelihood of confusion between the applicant's trade-mark BAY NETWORKS as applied to the wares and services covered in the present application and any of the opponent's registered trade-marks as applied to the wares and services covered in those registrations. I have therefore dismissed the paragraph 12(1)(d) ground of opposition.

In view of the above, and having been delegated by the Registrar of Trade-marks by virtue of subsection 63(3) of the *Trade-marks Act*, I reject the opponent's opposition pursuant to subsection 38(8) of the *Trade-marks Act*.

DATED AT HULL, QUEBEC, THIS DAY 16th OF JANUARY, 2001.

G.W.Partington,
Chairperson,
Trade-marks Opposition Board.