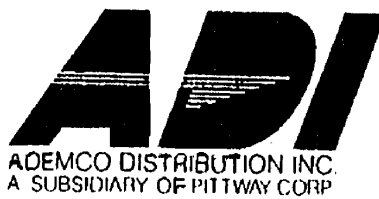


**IN THE MATTER OF AN OPPOSITION by ADI Limited to  
application No. 669,336 for the trade-mark ADI & Design filed by  
Ademco Distribution Inc.**

On October 30, 1990, the applicant, Ademco Distribution Inc., filed an application to register the trade-mark ADI & Design, a representation of which is set out below, based upon use and registration of the trade-mark in the United States of America in association with services identified as:

“Operation of a business for the wholesale distribution and sale of security products and equipment, burglar alarms and controls, fire alarms and controls, motion detectors, smoke detectors, signalling and surveillance equipment, paging and sound reinforcement systems, access control systems, power supplies, light controllers, intercom and telephone systems, hardware, tools, parts and supplies for such products and equipment.”

The applicant disclaimed the right to the exclusive use of the word DISTRIBUTION apart from its trade-mark.



The present application was advertised for opposition purposes in the *Trade-marks Journal* of October 20, 1993 and the opponent, ADI Limited, filed a statement of opposition on December 17, 1993, a copy of which was forwarded to the applicant on February 22, 1994. The opponent filed as its evidence the affidavits of Sheila Barber and John Dean, together with certified copies of registration Nos. 289,790, 292,654 and 304,423 for the trade-marks ADI, ADI & Design and ADI-BVF. The applicant submitted as its evidence the affidavits of Douglas Thomas Laplante and Daniel Gregory Gravelle. As evidence in reply, the opponent submitted the affidavit of Sheila Lavigne [Sheila Barber]. Further, both parties filed written arguments and an oral hearing was not conducted in respect of this opposition.

During the opposition, the opponent requested leave to amend its statement of opposition pursuant to Rule 42 [now Rule 40] of the *Trade-marks Regulations* and the applicant was invited to make its submissions in respect of the opponent's request. As no submissions were received from

the applicant, and as no earlier ruling appears to have been rendered by the Opposition Board in respect of the opponent's Rule 40 request, this will confirm that leave has been granted to the opponent to amend its statement of opposition. In this regard, I would note that both parties in their written arguments have dealt with the grounds of opposition set forth in the amended statement of opposition.

As its first ground of opposition, the opponent alleged that the present application does not comply with Subsection 30(b) of the *Trade-marks Act* since the applicant was using the trade-mark ADI & Design in association with the operation of a wholesale distribution business prior to filing its application and the application does not recite a date when the trade-mark was first used in Canada. While the legal burden is upon the applicant to show that its application complies with Section 30 of the *Trade-marks Act*, there is an initial evidential burden on the opponent to establish the facts relied upon by it in support 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; and *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R.(3d) 293]. The evidential burden on the opponent respecting the issue of the applicant's non-compliance with Subsection 30(b) of the *Act* is a light one [see *Tune Masters v. Mr. P's Mastertune*, 10 C.P.R.(3d) 84, at p. 89]. Moreover, the opponent's evidential burden can be met by reference not only to the opponent's evidence, but also to the applicant's evidence [see, in this regard, *Labatt Brewing Company Limited v. Molson Breweries, a Partnership*, 68 C.P.R.(3d) 216, at p. 230]. Finally, the material time for considering the circumstances respecting the issues of non-compliance with Section 30 of the *Act* is the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R.(3d) 469, at p. 475].

In the present case, the opponent has relied upon the Laplante affidavit as supporting its allegation that the applicant used its trade-mark ADI & Design in Canada prior to its filing date of October 30, 1990. However, Mr. Laplante, Ottawa Branch Manager of Ademco Distribution International Limited, attests to use by his company of a trade-mark which, while similar to the applicant's mark, is not the trade-mark sought to be registered. Furthermore, there is no reference in the Laplante affidavit to any license involving the applicant and Mr. Laplante's company either with respect to the mark sought to be registered or the logo used by Mr. Laplante's company. Thus,

use by Mr. Laplante's company of its logo has not been shown as accruing to the benefit of the applicant and the opponent has therefore failed to meet its evidential burden in respect of the first ground. I have rejected the first ground of opposition.

The second ground is based on Subsection 30(i) of the *Trade-marks Act*, the opponent alleging that the applicant could not have been satisfied as to its entitlement to use the trade-mark ADI & Design in Canada in association with the services covered in the present application in view of the prior use and making known of its trade-marks ADI, ADI & Design and ADI-BVF in association with the following wares:

Water and sewerage systems; survey plans; maps; anaerobic treatment systems; biogas recovery systems; studies; reports; and design plans.

and the following services:

Engineering services; management consulting; managing, planning, advising and installing engineered projects and systems; architectural services; urban development planning; surveying services; project planning; feasibility studies and design for: commercial, institutional, and industrial buildings, mechanical and electrical systems, bridges and marine structures, highway and transportation facilities, water supply systems, waste water treatment facilities, and food and industrial processing facilities; soil investigations; construction material testing; energy conservation studies; and transportation systems planning.

As in the case of the first ground, the legal burden is upon the applicant to show that its application complies with Subsection 30(i) of the *Trade-marks Act*. However, there is an initial evidential burden on the opponent in respect of the Subsection 30(i) ground. In the present case, even had the applicant been aware of the opponent's trade-marks prior to filing the present application, such a fact is not inconsistent with the statement in the present application that the applicant was satisfied that it was entitled to use its trade-mark ADI & Design in Canada on the basis *inter alia* that its trade-mark is not confusing with the opponent's trade-marks. Thus, the success of this ground is contingent upon a finding that the trade-marks at issue are confusing [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 which are based on allegations of confusion between the applicant's trade-mark ADI & Design and the opponent's trade-marks ADI, ADI & Design and ADI-BVF.

The third ground of opposition is based on Paragraph 12(1)(d) of the *Trade-marks Act*, the opponent asserting that the applicant's trade-mark ADI & Design is not registrable in that it is confusing with its registered trade-marks ADI, ADI & Design, represented below, and ADI-BVF, registration Nos. 289,790, 292,654 and 304,423.



Registration No. 292,654

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 those specifically enumerated in Subsection 6(5) of the *Trade-marks Act*. Further, 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 ADI & Design and the opponent's ADI, ADI & Design and ADI-BVF trade-marks. The material date for assessing the Paragraph 12(1)(d) ground of opposition is as of the date of my decision [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.)]

Considering initially the inherent distinctiveness of the trade-marks at issue [*Para. 6(5)(a)*], both the applicant's trade-mark ADI & Design and the opponent's trade-marks ADI, ADI & Design and ADI-BVF are comprised essentially of initials and, as such, are weak marks possessing relatively little inherent distinctiveness. However, the applicant's trade-mark and the opponent's ADI & Design trade-mark include some design features which add somewhat to their inherent distinctiveness. The applicant's evidence does not establish that its trade-mark ADI & Design has become known to any extent in Canada while the Dean affidavit establishes that the opponent's ADI and ADI & Design trade-marks have become fairly well known as applied to professional engineering services with gross earnings in Canada from 1986 to 1993 inclusive exceeding \$75,000,000. Thus, the extent to which the trade-marks at issue have become known [*Para. 6(5)(a)*] and the length of time the trade-marks have been in use [*Para. 6(5)(b)*] clearly favour the opponent.

As for the wares and services associated with the trade-marks at issue [*Para. 6(5)(c)*] and the respective channels of trade of the parties [*Para. 6(5)(d)*], the applicant's operation of a business for the wholesale distribution and sale of security products and equipment, burglar alarms and controls, fire alarms and controls, motion detectors, smoke detectors, signalling and surveillance equipment, paging and sound reinforcement systems, access control systems, power supplies, light controllers, intercom and telephone systems, hardware, tools, parts and supplies for such products and equipment differs from the opponent's water and sewerage systems, survey plans, maps, anaerobic treatment systems, biogas recovery systems, studies; reports, and design plans. As well, there would not appear to be any similarity in the applicant's wholesale distribution services and the opponent's various engineering-related services including: management consulting; managing, planning, advising and installing engineered projects and systems; architectural services; urban development planning; surveying services; project planning; feasibility studies and design for: commercial, institutional, and industrial buildings, mechanical and electrical systems, bridges and marine structures, highway and transportation facilities, water supply systems, waste water treatment facilities, and food and industrial processing facilities; soil investigations; construction material testing; energy conservation studies; and transportation systems planning. Further, there would not appear to be any potential overlap in the nature of the trade of the parties.

As for the degree of resemblance between the trade-marks at issue [*Para. 6(5)(e)*], there is a fair degree of similarity in appearance between the applicant's trade-mark and the opponent's ADI and ADI & Design trade-marks when the marks are considered in their entirety. Further, the trade-marks at issue bear some similarity in sounding in that the applicant's mark would be identified orally as ADI ADEMCO DISTRIBUTION INC. while the opponent's marks would be identified as ADI and ADI-BVF. The trade-marks at issue do not appear to suggest any particular idea in common apart from the marks being acronyms and the opponent would not be entitled to a monopoly in respect of such an idea.

As a further surrounding circumstance in respect of the issue of confusion, the opponent has relied upon evidence of instances of mistake involving the trade-marks at issue. In particular, the opponent filed two affidavits of Sheila Barber [Sheila Lavigne], the second affidavit being submitted

as evidence in reply to the applicant's evidence. Ms. Barber [Lavigne] states that she was a receptionist employed in the Ottawa office of the opponent from October 1991 to September 1995, during which time her office typically received two to three telephone calls a month from callers attempting to reach Ademco Distribution Inc. which also has an office in Ottawa. The affiant further states that she kept records of those telephone calls and courier/postal deliveries, including the time and date of the call, the name of the caller and for whom the caller was calling. Ms. Barber [Lavigne] has annexed to her second affidavit a photocopy of a partial list of the calls and deliveries and states that from May 31, 1993 to September 6, 1995, her company received approximately 175 telephone calls where the caller attempted to reach Ademco.

The occurrences described by Ms. Barber [Lavigne] do not appear to constitute evidence of actual confusion in that the situations did not occur at the time of the transfer of the property in or possession of wares or in the performance or advertising of services. However, instances of actual confusion or mistake are not limited to those occurring at the time of transfer in or possession of the wares. In particular, I believe that it is arguable as to whether the reference in Subsection 6(2) of the *Trade-marks Act* to the "use of a trade-mark" which causes "confusion with another trade-mark" is limited to trade-mark use as contemplated by Subsections 4(1) or 4(2) of the *Act*. In any event, the nature of the instances of mistake described by Ms. Barber [Lavigne] emphasize the degree of resemblance between the trade-marks at issue and support the conclusion that there would be a reasonable likelihood of confusion between the trade-marks at issue even if they may technically not be instances of actual confusion [see *Hudson's Bay Co. v. Peoples Jewellers Ltd.*, 46 C.P.R. (3d) 249, at p. 260].

Considering that the applicant's trade-mark ADI & Design and the opponent's registered trade-marks ADI and ADI & Design bear a fair degree of similarity in appearance and some similarity in sounding and that the opponent's trade-marks are relatively well known in Canada, and bearing in mind the evidence of numerous instances of error or mistake involving the parties, I have concluded that the applicant has failed to meet the legal burden upon it of establishing that there would be no reasonable likelihood of confusion between the trade-marks at issue. As a result, the applicant's trade-mark ADI & Design is not registrable in view of the provisions of Paragraph

12(1)(d) of the *Trade-marks Act*.

Having delegated authority from the Registrar of Trade-marks pursuant to Subsection 63(4) of the *Trade-marks Act*, I refuse the applicant's application pursuant to Subsection 38(8) of the *Trade-marks Act*.

DATED AT HULL, QUEBEC, THIS 29<sup>TH</sup> DAY OF DECEMBER 1997.

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