



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

Citation: 2011 TMOB 85
Date of Decision: 2011-05-26

**IN THE MATTER OF AN
OPPOSITION by Masterfile
Corporation to application No.
1,299,558 for the trade-mark
MASTERFILE & Design in the
name of Mohib S. Ebrahim**

FILE RECORD

[1] On April 27, 2006, Mohib S. Ebrahim filed an application to register the trade-mark MASTERFILE & Design, illustrated below,



for use in association with the following wares and services:

wares

Computer software and programs for use in legal, litigation, investigation, journalism, research, and other fields. Computer software and programs for document control, transformation, conversion, processing, manipulation and management. Computer software and programs for enabling document retrieval. Computer software and programs for enabling access to, organizing and analyzing facts and data including those relating to time and date events. Computer software and programs for naming and managing data files.

services

(1) Consulting, maintenance and technical services of computer software and programs, electronic document and record storage, searching, management and retrieval.

(2) Business services, namely transformation, conversion, processing, digitizing and scanning documents and records for purposes of electronic storage, management and retrieval.

[2] The application claims use of the mark since at least as early as January 30, 2004 for the wares; use of the mark since May 30, 2004 for the services denoted by (1); and proposed use of the mark for the services denoted by (2). The application also “disclaims the right to the exclusive use of the words Master File apart from the trade-mark.”

[3] The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated September 19, 2007 and was opposed by Masterfile Corporation on February 13, 2008. The Registrar forwarded a copy of the statement of opposition to the applicant on February 28, 2008, as required by s.38(5) of the *Trade-marks Act*, R.S.C. 1985, c. T-13. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition. The opponent’s evidence consists of the affidavit of Steve Pigeon. The applicant’s evidence consists of the affidavit of Zainul Ebrahim. Both parties filed written arguments and both parties were represented at an oral hearing held on May 5, 2011.

STATEMENT OF OPPOSITION

[4] The first ground of opposition, pursuant to s.30 of the *Trade-marks Act*, alleges that the wares and services set out in the subject application are not stated in ordinary commercial terms.

[5] The second ground alleges that the application does not conform to s.30(b) of the *Act* because the applicant has not used its mark since the dates claimed in the application.

[6] The third ground alleges that the application does not conform to s.30(i) of the *Act* because the applicant could not have been satisfied of its entitlement to use the mark MASTERFILE & Design by virtue of the applicant’s knowledge of the opponent’s mark MASTERFILE and trade-name Masterfile.

[7] The fourth ground, pursuant to s.12(1)(d), alleges that the applied for mark is not registrable because it is confusing with the opponent's registered mark MASTERFILE used in association with the following wares and services:

wares

(1) Photographs, transparencies. (2) Art. (3) Images created by digital technology. (4) Images recorded by digital technology.

services

(1) Maintaining a library of and leasing and selling reproduction rights for stock photographs, transparencies, and of advising and consulting about the use of transparencies and other photographic material for advertising, commercial art and illustration. (2) Maintaining a library of and licensing reproduction rights for stock photographs and transparencies. (3) Maintaining a library of and licensing reproduction rights for art. (4) Maintaining a library of and licensing reproduction rights for images created by digital technology. (5) Maintaining a library of and licensing reproduction rights for images recorded by digital technology. (6) Publishing collections of stock photographs and transparencies. (7) Publishing collections of art; publishing collections of images created by digital technology. (8) Publishing collections of images stored by digital technology. (9) Advising and consulting about the use of digital images for advertising, commercial art and illustration.

[8] The fifth and sixth grounds, pursuant to s.16(1)(a) and s.16(1)(c), allege that the applicant is not entitled to registration because, at the claimed dates of first use (January 30, 2004 for wares; May 30, 2004 for services denoted by (1)), the applied for mark was confusing with the opponent's mark MASTERFILE previously used and/or made known in Canada by the opponent.

[9] The seventh and final ground, pursuant to s.2, alleges that the applied for mark MASTERFILE & Design is not distinctive of the applicant's wares and services in view of the opponent's prior use of its mark MASTERFILE.

[10] I note in passing that the opponent has not relied on s.16(3) to challenge the applicant's entitlement to registration for the proposed use services denoted by (2) in paragraph [1] above. I further note that the seventh ground is specific in relying on the opponent's use of its mark and not pleading (i) any third party use of the same or similar marks or (ii) licensed use of the same or similar marks which use does not accrue to the benefit of the applicant.

OPPONENT'S EVIDENCE

Steve Pigeon

[11] Mr. Pigeon identifies himself as President and founder of Masterfile Corporation. The opponent was formed in 1981 and is based in Toronto. Since then, the opponent has become one of the world's largest independent stock photo agencies, with a portfolio of over 1.7 million images. The opponent has offices in France, Germany, Italy and the United Kingdom and a network of agents and distributors in more than 90 other countries. Regardless of where orders are placed, most of the opponent's services are provided through the company's computer servers located in Toronto. The opponent has used its mark MASTERFILE and its trade-name Masterfile in Canada since at least as early as 1981 in association with maintaining a library of, and licensing reproduction rights for, images created by digital technology. The opponent also publishes collections of images created by digital technology.

[12] Since 1984, the opponent's cumulative sales under its mark MASTERFILE have exceeded \$300 million, while annual sales under the mark have exceeded \$21 million since 1995. The opponent has advertised its MASTERFILE services in print publications and in various promotional materials distributed in the thousands. The opponent Masterfile has received numerous awards in Canada and elsewhere and was featured in the Financial Post magazine in 1995. The opponent's website receives about 60,000 different visitors per month. The majority of the opponent's business is conducted electronically via its website. The opponent annually spends in excess of \$3.5 million on advertising and promoting its wares and services offered in association with its MASTERFILE trade-mark and trade-name and has done so for several years prior to 2008. According to Mr. Pigeon, both the applicant and the opponent "provide services that grant users access to documents and/or images held in digital repositories."

APPLICANT'S EVIDENCE

Zainul Ebrahim

[13] Mr. Ebrahim identifies himself as a director of Masterfile Software North America Inc. ("Masterfile Software"), which company is a "licensed user" of the applied

for mark MASTERFILE & Design. Mr. Ebrahim asserts that the opponent's website (and business) is best described as an electronic shop that manages and offers for sale artists' and photographers' pictures, photographs, images and their licensing rights, similar to a physical art shop or art gallery that offers such wares and services. In contrast, the applied for mark is used in association with wares and services relating to legal and research/investigative software.

[14] The Masterfile Software website (and business) does not offer a gallery of images nor is it selling such products. Exhibit A attached to Mr. Ebrahim's affidavit is a copy of the home page taken from Masterfile Software's website. The home page describes the applicant's wares and services as:

. . . a new class of software designed from the ground up for the lawyer, litigator, investigator or researcher. It features a novel evidence/document repository . . . which lets you actually plan, draft and substantiate your argument or theses, point by point.

[15] The applied for mark is not associated with images or reproduction rights, rather, it is principally associated with the sale of software. The applicant's mark is used in association with services that enable a client to transform, convert, process, digitize and scan its own documents and records, which are returned to the client on completion of the processing. The storage, management and retrieval are performed by the client on the client's own computers using software purchased from Masterfile Software. Masterfile Software does not maintain any digital repository. The software used by the client is stand alone, that is, it does not connect to Masterfile Software's website.

[16] The applied for mark has been used in Canada since January 30, 2004. Since then, the applied for mark has been referenced in numerous on-line and print publications and at seminars in Canada and internationally.

[17] Mr. Ebrahim has also provided some evidence of third party Internet use of the marks PUBLIC DOCUMENTS MASTERFILE (for retrieving U.S.A. public documents); 19th CENTURY MASTERFILE (for historical research prior to 1925); AMA PHYSICIAN MASTERFILE (for information on doctors); SEDOL MASTERFILE (for assisting corporate business); and MASTERFILE (for educational publishing).

LEGAL ONUS AND EVIDENTIAL BURDEN

[18] The legal onus is on the applicant to show that the application does not contravene the provisions of the *Trade-marks Act* as alleged by the opponent in the statement of opposition. However, there is also, in accordance with the usual rules of evidence, an evidential burden on the opponent to prove the facts inherent in its allegations pleaded in the statement of opposition: see *John Labatt Limited v. The Molson Companies Limited*, 30 C.P.R. (3d) 293 at 298. The presence of an evidential burden on the opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist.

First Ground of Opposition

[19] With respect to the first ground of opposition, there is no evidence to support the allegation that the wares and services specified in the subject application are not stated in ordinary commercial terms. The first ground is therefore rejected because the opponent has not met its evidential burden to put the first ground into issue.

Second Ground of Opposition

[20] With respect to the second ground, the opponent argues at paragraph 2(a) of its written argument that the application is flawed because:

The earliest date for which the Applicant has submitted evidence of use is September 2005, over a year after the date of first use claimed . . . In addition, the evidence does not show that any of the use of the Opposed Mark by Masterfile Software North America Inc. . . . accrues to the Applicant. The Applicant has filed no evidence of a licence agreement between the parties, nor has he filed any evidence that he exercises control over the character or quality of the wares and services sold in association with the Masterfile & Design trade mark.

[21] The opponent submits that because Mr. Ebrahim's evidence does not establish a licensed user agreement in compliance with s.50(1) of the *Trade-marks Act*, then Masterfile Software's activities do not establish any use of the applied for mark that accrues to the benefit of the applicant. I agree that Mr. Ebrahim's evidence does not establish a licensed user agreement in compliance with s.50(1), however, this finding is

not fatal to the applicant's case. From a fair reading of Mr. Ebrahim's affidavit as a whole, and in the absence of cross-examination, it appears to me that the "licensed user" relationship referred to by Mr. Ebrahim in his affidavit is more in the nature of a distributorship or selling agent agreement rather than an agreement where Masterfile Software sells its own independently produced wares and services under the applicant's mark. It appears that Masterfile Software simply sells the applicant's own wares and services.

[22] Further, while the opponent is entitled to rely on the applicant's evidence to meet the opponent's evidential burden, the applicant is under no obligation to evidence its claimed dates of first use if those dates are not first put into issue by the opponent meeting its evidential burden. In the instant case there is nothing in Mr. Ebrahim's evidence which is inconsistent with or contradicts the dates of first use claimed in the application. Therefore, there is nothing in the evidence of record to satisfy the opponent's evidential burden. The mere absence or incompleteness of evidence relating to the dates of first use claimed in the application is, by itself, insufficient to meet the opponent's evidential burden.

[23] The opponent might have assisted its own cause by cross-examination of Mr. Ebrahim, where negative inferences may be drawn if the affiant declines to answer questions or to provide undertakings on relevant facts. Such negative inferences would suffice to meet the relatively low threshold for the opponent's evidential burden in respect of a s.30(b) ground of opposition. However, in the instant case I do not find that the mere absence of evidence of use of the mark at the dates of first used claimed in the application, or the absence of evidence detailing the relationship between the applicant and Masterfile Software, is sufficient to meet the opponent's evidential burden. In law, as in archaeology, the absence of evidence is not necessarily evidence of absence. The second ground is therefore rejected.

Third Ground of Opposition

[24] With respect to the third ground of opposition, s.30(i) applies if fraud is alleged on the part of the applicant or if specific federal statutory provisions prevent the registration of the mark applied for: see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155 and *Canada Post Corporation v. Registrar of*

Trade-marks (1991), 40 C.P.R. (3d) 221. In the instant case the pleadings do not support a s.30(i) ground of opposition and it is therefore rejected.

MAIN ISSUE & MATERIAL DATES

[25] The main issue with respect to the remaining grounds is whether the applied for mark MASTERFILE & Design is confusing with the opponent's mark MASTERFILE. The legal onus is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of s.6(2) of the *Act*, shown below, between the applied for mark and the opponent's mark:

The 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 . . . or performed by the same person, whether or not the wares or services . . . are of the same general class.

[26] Thus, s.6(2) does not concern the confusion of the marks themselves, but confusion of goods or services from one source as being from another source. In the instant case, the question posed by s.6(2) is whether there would be confusion of the applicant's computer wares and services for manipulating and organizing data as products and services emanating from or sponsored by or approved by the opponent.

[27] The material dates to assess the issue of confusion are (i) the date of decision, with respect to the ground of opposition alleging non-registrability; (ii) the dates of alleged first use of the mark with respect to the grounds of opposition alleging non-entitlement, in this case January 30 and May 30, 2004; and (iii) the date of filing the statement of opposition, in this case February 13, 2008, in respect of the ground of opposition alleging non-distinctiveness: for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v. Canadian Retired Persons* (1998), 84 C.P.R.(3d) 198 at 206 - 209 (F.C.T.D.). However, in the circumstances of the instant case, nothing turns on whether the issue of confusion is assessed at a particular material date.

TEST FOR CONFUSION

[28] The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are “all the surrounding circumstances including” those specifically mentioned in s.6(5) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive; all relevant factors are to be considered. All factors do not necessarily have equal weight. The weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.).

Consideration of s.6(5) Factors

[29] The applied for mark MASTERFILE & Design does not possess a high degree of inherent distinctiveness since the mark as a whole, when used in association with the applicant’s wares and services, is suggestive, if not descriptive, of the end result of using the applicant’s wares and services, that is, a main or comprehensive set of documents or an authoritative organization of data. In this regard, the design portion of the mark, consisting of a pictorial of a person holding a sheet of paper, reinforces the suggestive connotation of the word component MASTERFILE. Similarly, the opponent’s mark MASTERFILE does not possess a high degree of inherent distinctiveness since the mark, when used in association with the opponent’s wares and services, is suggestive, if not descriptive, of a comprehensive compilation of images.

[30] The opponent’s evidence regarding sales under its mark (and trade-name) and expenditures for advertising and promotion featuring its mark (and trade-name) are not specific to Canada and therefore I am not prepared to infer any more than a limited general reputation for the opponent’s mark in Canada at any material time. I am however prepared to infer a greater reputation for the opponent’s mark to specialty business groups, that is, those requiring visual images. Similarly, the applicant’s meagre evidence regarding the quantity of sales and advertising under its mark permits me to infer, at best,

a minimal general reputation for its mark in Canada after January 30, 2004. I also note that while Mr. Ebrahim's testimony refers to the applied for mark MASTERFILE & Design, the exhibit material attached to his affidavit relating to sales and promotion will often show the applied for mark simply by the word component MASTERFILE. However, I am prepared to infer a greater reputation for the applicant's mark to specialty business groups, that is, those requiring complex and involved document management. Thus, the first factor, which is a combination of inherent and acquired distinctiveness, favours the opponent, but only to a limited extent. The length of time that the marks in issue have been in use favours the opponent, as the opponent's use of its mark predates the applicant's use by about 23 years. However, as the extent of the opponent's use of its mark in Canada is not clear, the second factor favours the opponent only to a limited degree.

[31] With respect to the nature of the parties' wares, services, and businesses, I agree with the applicant, at page 14 -15 of its written argument, that the evidence of record indicates that:

. . . . the wares and services of the respective trade-marks are functionally dissimilar; they are dissimilar as to channels of trade; they are dissimilar as to end purposes and uses; they are of interest to quite different clienteles the Applicant does not manage any "rights" to the returned documents, nor sell copies thereof in any manner, nor provide access . . . because it [the applicant] has no documents or images (of any kind) to provide such "access" to . . . the businesses do not compete for the same customer.

[32] The opponent has also brought to my attention several cases discussing the importance of the deliberation taken by prospective purchasers of the parties' wares and services. For example, in *B. Elliot (Canada) Ltd. v. Elliot-Lucas Ltd.* (1979) 59 C.P.R. (2d) 264 (T.M.O.B), the opponent was relying on its mark ELLIOT, used in association with metal working machines such as milling, shaping and drilling machines, to oppose an application for the mark ELLIOT LUCAS used in association with pliers, nippers and pincers. The opposition was rejected, partly for the reasons expressed at page 270 of the reported decision:

. . . . the wares associated with the trade marks in issue are quite different in nature and use to which they are put, as well as in the price range of the respective wares of the parties, the opponent's

wares being of a type which one would not purchase in a hurried manner or without careful consideration on the part of the purchaser, and the purchasers of such wares would, in my opinion, be relatively sophisticated purchasers as contrasted with the average consumer who would be likely to purchase the applicant's wares.

[33] In the instant case, the parties' wares and services are also dissimilar and it appears to me that the clientele of each party would be relatively sophisticated purchasers, that is, one group interested in high quality images and the other group concerned with complex document management. I assume that such clientele would not purchase in a hurried manner or without careful consideration; it is a surrounding circumstance which lessens the likelihood of confusion as to source.

[34] With regard to the last factor enumerated in s.6(5), the applied for mark MASTERFILE & Design and the opponent's mark MASTERFILE necessarily resemble each other to a high degree in all respects, that is, in appearance, in sounding and in the ideas suggested as the dominant word component of the applied for mark incorporates the entirety of the opponent's mark.

[35] The opponent has also brought to my attention the case of *Clorox Co. v. Sears Canada, Inc.* 41 C.P.R.(3d) 483 (F.C.T.D.), affirmed 49 C.P.R.(3d) 217 (F.C.A.). This Board had refused Clorox's application for the mark K.C. MASTERPIECE & Design, for use in association with a barbecue sauce, in an opposition wherein the opponent Sears was relying on its mark MASTERPIECE, for use in association with cakes and chocolates. Mr. Justice Joyal commented as follows in reversing the Board's finding of confusion:

at p. 489

. . . it seems quite clear to me that a decision on the issue of confusion under s. 6(5) cannot be the sum of the individual tests in the paragraphs which follow. The opening words of s. 6(5) speak of "all the surrounding circumstances". The surrounding circumstances are overriding. It is in regard to those circumstances which are not didactically enumerated in the paragraphs that the case before me merits some findings which are not specifically analyzed in the impugned decision.

at p. 491

. . . s. 6(2) speaks of the likelihood of confusion and such a likelihood must not be addressed in the abstract but in the light of

surrounding circumstances. Otherwise, an unqualified or literal application of the rule imposes more of a test of possibility of confusion than a test of a likelihood of confusion . . .

. . . I should prefer to balance the weight to be given to the individual tests under the various paragraphs of s. 6(5) of the statute with the more unfettered consideration of all surrounding circumstances. In the result, it might be said to be the application of the well-known aphorism that on the issue of confusion, the general provision in s. 6(5) is greater than the sum of its individual parts.

DISPOSITION

[36] Considering the above, and taking into account in particular the low inherent distinctiveness of the marks in issue, the opponent's default in establishing a significant reputation for its mark (and trade-name) in Canada, the differences in the parties' wares and services provided under their marks, and that the parties' clientele are sophisticated customers who would not purchase in a hurried manner, I find that at all material times the applicant has shown on a balance of probabilities that there is no reasonable likelihood of confusion.

[37] The opposition is therefore rejected. This decision has been made pursuant to a delegation of authority under s.63(3) of the *Trade-marks Act*.

Myer Herzig
Member
Trade-marks Opposition Board