



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

**Citation: 2011 TMOB 77**  
**Date of Decision: 2011-05-24**

**IN THE MATTER OF AN OPPOSITION by  
Omega SA to application No. 1,047,146 for  
the trade-mark OMEGATREK in the name  
of Iwatsu Electric Co. Ltd.**

[1] On February 17, 2000, Iwatsu Electric Co. Ltd. (the Applicant) filed an application to register the trade-mark OMEGATREK (the Mark) based upon proposed use of the Mark in Canada. The statement of wares, as revised, reads as follows: “telephones, digital voice-mobile communications equipment, namely cordless telephone set, cordless key telephones, electric switch modules, and base station”.

[2] The application is also based upon use and registration of the Mark in the United States of America. It further claims priority of the corresponding trade-mark application filed on February 14, 2000 under No. 75/918,748 in that country.

[3] The application was advertised for opposition purposes in the *Trade-marks Journal* of January 14, 2004.

[4] On May 25, 2006, Omega SA (the Opponent) filed a statement of opposition claiming that the application does not conform to the requirements of s. 30 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act). The statement of opposition also claims that the Mark is not registrable pursuant to s. 12(1)(d) of the Act, that it is non-distinctive of the Applicant pursuant to s. 2 and 38(2)(d) of the Act, and that the Applicant is not the person entitled to registration of the Mark pursuant to s. 16 of the Act. The Opponent claims, *inter alia*, that the Mark is confusing with the

Opponent's word mark OMEGA and registered design marks OMEGA & Design, and the Opponent's trade-names Omega SA, Omega AG and Omega Ltd., which trade-marks and trade-names have been used in Canada by the Opponent previously to the Applicant's priority date claimed in its application.

[5] The Applicant filed and served a counter statement in which it denies the Opponent's allegations.

[6] In support of its opposition, the Opponent filed certified copies of registration Nos. TMDA5009 and TMA307,956 for its OMEGA & Design trade-marks. In support of its application, the Applicant filed the affidavits of Makoto Kubota, General Manager of International Department of the Applicant, sworn October 23, 2008, and James Gannon, a student-at-law employed by the law firm representing the Applicant in this proceeding, also sworn October 23, 2008. The Applicant further obtained leave from the Registrar to file a supplementary affidavit of Mr. Kubota, sworn March 9, 2010 as well as a certified copy of registration No. TMA307,786 for the Applicant's OMEGA PHONE Design trade-mark.

[7] Both parties filed written arguments and further obtained leave from the Registrar to file supplementary written arguments. Both parties attended at an oral hearing.



### Onus

[8] 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 evidentiary 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 C.P.R. (3d) 293 (F.C.T.D.); and *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)].

Summary of the parties' evidence

The Opponent's evidence

[9] As indicated above, the Opponent's evidence consists solely of certified copies of the registrations secured for its OMEGA & Design trade-marks. The particulars of these registrations are as follows:

	
<p>Registered on July 24, 1894 under No. TMDA5009. The registration, as last amended on March 1, 2006, covers the following wares : (1) <i>Montres et boîtes pour montres</i>; (2) <i>Chaînes de montres, outils et accessoires ainsi que toutes fournitures et parties détachées employées dans l'horlogerie et la bijouterie y soient inclus</i>; (3) <i>Etuis et emballages, nommément: contenants sous forme de housses en tissus et boîte; compteurs et chronographes qui servent au chronométrage sportif; et appareils techniques et scientifiques pour l'électricité, l'optique, la télégraphie, le cinéma, la radio, la téléphonie, la télégraphie, nommément: la [sic]cellules photo-électriques, portails à contact, compteurs enregistreurs sur bande de papier, pistolets de start à contacts électriques.</i> First use of the mark with wares (1)1895; 1939 with wares (2) and 1950 with wares (3).</p>	<p>Registered on November 1, 1985 under No. TMA307,956 in association with the following wares and services : <i>Appareils relatifs aux activités sportives, nommément: chronomètres, tableaux de pointage et tableaux indicateurs, pour le pointage, le contrôle et la mesure du temps, des distances, des scores, des heures et des dates</i> and <i>Services de conseil relativement à la planification et installation d'appareils de pointage, de contrôle et de mesure de temps et de distances, destinées principalement au domaine sportif.</i> Declaration of use of the mark filed July 11, 1985.</p>

## The Applicant's evidence

### The Kubota affidavits

[10] As indicated above, the Applicant filed two affidavits of Mr. Kubota. I will first go over his original affidavit.

[11] Mr. Kubota states that the Applicant was incorporated in Japan on August 14, 1938. The Applicant is engaged in the manufacturing of business telephone systems and distributes its products in the United States and Canada through its wholly owned subsidiary Iwatsu America, Inc. (Iwatsu America). Mr. Kubota states that the products manufactured and sold bearing the Mark consist of cordless key telephones that are adjunct to the Applicant's business telephone systems product lines. More particularly, the Applicant's products bearing the Mark can be described as cordless key telephone sets providing voice communication both internal and outside the system. Support materials are also available with the products that bear the Mark and include end users instructions and end users brochures [paragraphs 2, 5 and 8 of his original affidavit].

[12] Mr. Kubota states that the Applicant's cordless key telephone sets are packaged/manufactured bearing the Mark and distributed by the Applicant's subsidiary to customers consisting of authorized distributors. All of the Applicant's products are sold through authorized distributors who purchase the products for their customers (end users) in the quantities and configurations to meet the individual end users requirements [paragraph 5 of his original affidavit].

[13] More particularly, in Canada, the authorized distributors have customers in Ontario and Québec. The end users consist of both small and large businesses of all types, including manufacturing, professional, retail, institutional, and general business activities. The Applicant has over two hundred authorized distributors that regularly purchase OMEGATREK products in the United States and Canada [paragraph 6 of his original affidavit].

[14] Mr. Kubota states that the Applicant has had strong sales of OMEGATREK products since February 2001 in the United States and Canada. More particularly, these sales in the United States and Canada amount to US\$3,000,000 (from February 2001 to the date of his affidavit) and US\$60,000.00 (from February 2002 to the date of his affidavit) respectively [paragraph 7 of his original affidavit].

[15] In support of the above statements of use of the Mark in Canada, Mr. Kubota attaches as Exhibits A, B and C respectively, photographs of a cordless key telephone bearing the Mark along with the details showing the labels and packaging; copies of end users instructions and brochures; and copies of sample invoices [paragraphs 5, 8 and 9 of his original affidavit]. As underlined by the Opponent, the labels pictured in Exhibit A refer to Iwatsu America rather than the Applicant. The support materials attached as Exhibit B bear the mention “Omegatrek is a trademark of Iwatsu America, Inc.” as well as a copyright notice referring to that same company. The invoices attached as Exhibit C are also issued by Iwatsu America. I will revert to this point, which is portrayed as a central issue by the Opponent, later on in my decision.

[16] Mr. Kubota concludes his original affidavit stating that he is not aware of any occurrences of actual confusion by the authorized distributors and/or end users between the Applicant’s use of its Mark in Canada, as well as the United States, and any use that may have been made by the Opponent of an OMEGA mark.

[17] Mr. Kubota’s supplementary affidavit is directed solely to replying to the unanticipated licensing issue raised by the Opponent in view of Mr. Kubota’s original affidavit. The supplementary affidavit of Mr. Kubota encloses as Exhibit A a copy of a “Distributorship Agreement” (the Agreement) between the Applicant and Iwatsu America. Mr. Kubota states that the Agreement formally authorized Iwatsu America to act as a licensed distributor of telecommunications equipment, components and accessories made by the Applicant and bearing its trade-marks, including, since at least February 2001, the wares bearing the Mark [paragraph 6 of his supplementary affidavit].

[18] Mr. Kubota states that at all times, under the corporate relationship between the Applicant and Iwatsu America, the Applicant has had both direct and indirect control of the character and

quality of the wares sold in association with the Applicant's trade-marks, including the Mark [paragraph 7 of his supplementary affidavit].

[19] Mr. Kubota further states that the Applicant is and always has been the only manufacturer of the wares associated with the Mark. Although such wares are distributed by Iwatsu America in North America, they are and always have been manufactured in plants under the direct control of the Applicant. From Japan, the Applicant customizes the wares associated with the Mark for the North American market, including customizing their appearance and maintaining a North American part numbering system to increase the ease of maintaining and repairing the OMEGATREK wares in North America [paragraph 8 of his supplementary affidavit].

[20] Mr. Kubota states that at all times, the OMEGATREK wares have been manufactured to the specifications of the Applicant which thereby had full control of their character and quality. After manufacture and inspection, the Applicant distributes the OMEGATREK wares to licensed regional distribution subsidiaries, including Iwatsu America. For the North American market, Iwatsu America then distributes the wares further down to the authorized distributors described in paragraph 5 of his original affidavit [paragraphs 9 and 10 of his supplementary affidavit].

[21] Mr. Kubota states that Iwatsu America's responsibilities have never involved the manufacture of the OMEGATREK wares, but have consisted of the marketing, sale, and servicing of such wares under the supervision and control of the Applicant. These responsibilities include preparation of English-language labels and marketing materials for the North American market. In practice, the parties have always treated the Agreement as granting Iwatsu America a licence to use the Applicant's trade-marks in the course of distributing the Applicant's wares, as such licensed use has always been necessary to market the wares to a North American audience [paragraph 11 of his supplementary affidavit].

[22] Mr. Kubota states that a number of brochures and labels destined for the North American market have identified Iwatsu America as the owner of the Mark. He states that this identification of ownership is not accurate in the United States, where the Applicant owns registration No. 2,762,110 for the Mark and No. 2,234,712 for the trade-mark OMEGA-VOICE, nor in Canada, where the Applicant owns registration No. TMA307,786 for the trade-mark

OMEGA PHONE Design, and the present application. Mr. Kubota attaches to this end certified copies of the registrations for the two aforementioned United States registrations as well as a third United States registration for the trade-mark OMEGA-PHONE (registration No. 1,669,214 also owned by the Applicant) [paragraph 12 of his supplementary affidavit].

[23] Mr. Kubota concludes his supplementary affidavit by stating that in practice, the Applicant retains direct and indirect control over the character and quality of the licensed wares. In particular, Iwatsu America is under the direct supervision of the Applicant's International department. Members of the International department visit the North American market or summon Iwatsu America's representatives to Japan approximately twice per year to ensure that Iwatsu America is fulfilling all of its obligations under the Agreement and is otherwise maintaining the Applicant's standards of quality in relation to the sale and servicing of the wares [paragraph 13 of his supplementary affidavit].

#### The Gannon affidavit

[24] Mr. Gannon states in his affidavit that he conducted a search of the Canadian Intellectual Property Office (CIPO) trade-marks database so as to locate all active trade-mark records containing the word "OMEGA" covering any wares or services and he attaches as Exhibits A, B and C the results of his searches. I will revert to this point later on in my decision when assessing the surrounding circumstances under the s. 12(1)(d) ground of opposition.

#### Analysis of the grounds of opposition

[25] I will now assess the grounds of opposition in regard to the evidence of record, although not necessarily in the order they were raised in the statement of opposition.

#### Non-distinctiveness ground of opposition

[26] The Opponent has pleaded that the Mark is not distinctive within the meaning of s. 2 of the Act, because:

- (i) the Mark does not distinguish the Applicant's wares from those of others, including the wares of the Opponent;
- (ii) the Applicant has permitted others to use the Mark in Canada, but not according to the license requirements set out in s. 50 of the Act; and
- (iii) as a result of a transfer, the Applicant vested rights in the Mark in two or more persons contrary to the requirements of s. 48(2) of the Act.

[27] In reference to allegation (i), the Opponent has not filed any evidence demonstrating the extent to which its marks or other marks similar to the Mark have become known in Canada - be it as of the material date under such a ground of opposition (that is the filing date of the opposition), or at any other time. Thus, the Opponent has failed to meet its evidentiary burden with respect to this particular ground of opposition [see *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 (F.C.T.D)].

[28] In reference to allegations (ii) and (iii), the Opponent relies on the materials in the original affidavit of Mr. Kubota, particularly to materials in Exhibits A and B that mistakenly identify the Mark as a trade-mark of the Applicant's affiliate, Iwatsu America. The Opponent submits that the mistaken references rendered the Mark non-distinctive, in part because the original affidavit of Mr. Kubota made no reference to a license agreement between the Applicant and its affiliate or to the Applicant's control over the character or quality of the wares offered by its affiliate. More importantly, the Opponent submits that despite the supplementary affidavit of Mr. Kubota purporting to evidence the existence of such license agreement and control over the licensed wares, what matters in the present case is not so much the existence of such alleged license agreement, but rather the wrong message conveyed to the public as to the ownership of the Mark.

[29] The Opponent submits that a parallel can be made between the present situation and the one in the decision in *Mayborn Products Limited v. Registrar of Trade-marks* (1983), 70 C.P.R. (2d) 1 (F.C.T.D.) (*Mayborn*). In that case, the appellant Mayborn Products Limited was the registered owner of the trade-mark DYLON PAINTEX used in association with paints, dyes, colouring materials, ingredients thereof and additives therefore. The decision pertained to an



appeal pursuant to s. 56 of the Act from a decision of the Registrar under former s. 44 of the Act (now s. 45), whereby the Registrar expunged the appellant's trade-mark because the appellant had failed to establish that the mark had been used *by it* in Canada. There was no question that the trade-mark DYLON PAINTEX was used in Canada. The crucial question was by whom was the trade-mark used? The Registrar found that the relevant inscription on the packaging of the wares was only susceptible of conveying to the consumer that the subsidiary of the appellant Dylon International Ltd. was the owner of the mark. In dismissing the appeal, Mr. Justice Cattanach agreed with the decision of the Registrar and held that use by a subsidiary, if it is not carrying on business as agent of the parent company owner of the trade-mark and described as such, is not use by the latter.

[30] As acknowledged by the Opponent, the *Mayborn* decision was rendered before the amendments brought in 1993 to the licensing provisions of s. 50 of the Act, which has replaced the registered user provisions prevailing at that time. As such, I find the *Mayborn* decision distinguishable from the present case. In the *Mayborn* case, Dylon International Ltd. was not shown to be a registered user of the mark in Canada. As I read the *Mayborn* case, the registration for the mark would have been saved by proper marking or by having the distributor, Dylon International Ltd., registered as a registered user under former s. 49 of the Act.

[31] I wish to reproduce on this point the following excerpt from Jolliffe and Gill, *Fox on Canadian Law of Trade-marks and Unfair Competition*, at pp. 10-9 to 10-11, that goes over the history behind the new licensing provisions introduced by s. 50 of the Act in the context of loss of distinctiveness due to improper licensing of a trade-mark:

The licencing of an unregistered or registered trade-mark in a manner apart from that permitted in the Act, may cause the mark to lose its distinctiveness and become invalid on the basis of lack of distinctiveness. [FN45] Under the law in force prior to July 1, 1954, licensing under a trade-mark could destroy the validity of the mark on the ground that it led to deception of the public:[FN46]

At common law and under the legislation prior to the 1953 *Trade Marks Act*, the purpose of a trade mark was to identify the wares with which the mark was associated as being those of a particular trader. Thus, to license a trade mark would destroy that very purpose and result in loss of distinctiveness which is the essence of a trade mark. It would therefore be valueless and become invalid because it would mislead the public.[FN47]

This principle was found unduly restrictive in the light of modern business conditions, and the passage of the *Trade-marks Act* in 1954 contained provisions under which a person other than the owner of a registered trade-mark may be registered as a registered user thereof for all or any of the wares or services for which the trade-mark was registered. [FN48]. Such use was known as the permitted use of a trade-mark and, provided the technical rules were followed, allowed licensing of the mark without a risk of rendering the trade-mark non-distinctive for this reason alone.

Nevertheless, the provisions allowing permitted use only applied to registered trade-marks and the very formal procedure of registered users had to be strictly adhered to. Any licensing of a trade-mark, whether registered or unregistered, not in the form prescribed by the statute, would not amount to a permitted use under the statute and might consequently render the trade-mark invalid through a loss of distinctiveness.[FN49] Legislators and others came to feel that such a situation was undesirable, and the permitted-user system too technical and strict in its application.

In June 1993 the registered-user provisions were abolished and replaced by new licensing provisions, which are more attuned to everyday commercial realities. The new licensing provisions are based on quality-controlled licensing, which may slightly shift the underlying theory of Canada's trade-mark law from one of strict source to one of source controlled quality. While certainly not new, the quality theory of trade-mark law has been only a small undercurrent in Canadian jurisprudence.[FN50] In addition, the new licensing provisions apply to both registered and unregistered trade-marks.

The new section 50, which replaces the registered user provisions, reads as follows:

50. (1) For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trade-mark to use the trade-mark in a country and the owner has, under the licence, direct or indirect control of the character or quality of the wares or services, then the use, advertisement or display of the trade-mark in that country as or in a trade-mark, trade-name or otherwise by that entity has, and is deemed always to have had, the same effect as such a use, advertisement or display of the trade-mark in that country by the owner.

(2) For the purposes of this Act, to the extent that public notice is given of the fact that the use of a trade-mark is a licensed use and of the identity of the owner, it shall be presumed, unless the contrary is proven, that the use is licensed by the owner of the trade-mark and the character or quality of the wares or services is under the control of the owner.

(3) Subject to any agreement subsisting between an owner of a trade-mark and a licensee of the trade-mark, the licensee may call on the owner to take proceedings for infringement thereof, and, if the owner refuses or neglects to do so within two months after being so called on, the licensee may institute proceedings for infringement in the licensee's own name as if the licensee were the owner, making the owner a defendant.

An owner may now license a trade-mark, whether registered or unregistered, without the necessity of recording the licensee as a registered user, provided that the owner complies with each aspect of s. 50, including creating a license under which the licensor has direct or

indirect control of the character or quality of the wares or services. In addition, the mark may be licensed as a trade-mark, trade name or otherwise, which alters the unfortunate situation of invalidity caused by licensed trade name use exhibited by the decision of *Dubiner v. Cheerio Toys & Games Ltd.* [FN51] There is not as of yet any substantial jurisprudence on the proper compliance with the new s. 50 in so far as it relates to the invalidity of the trade-mark through a loss of distinctiveness.[FN52] Reference should be had to the discussion in Chapter 15 on the proper licensing of trade-marks in Canada. Licensing outside the permitted scope of s. 50 may invalidate a trade-mark, depending upon the specific circumstances present. For example, where there is considerable use outside the licensing scheme requirements, distinctiveness can be lost.[FN53] The Supreme Court of Canada has stated that while "profligate use by the owner alone can destroy the distinctiveness of the mark, . . . licenses granted too widely and unwisely may aggravate its problem." [FN53.1]

[32] Section 50(1) of the Act expressly provides that use of a trade-mark by a duly authorized licensee is deemed always to have had the same effect as such use by the owner, provided the owner exercises control of the character or quality of the licensed wares or services. Where public notice is given of the fact that the use of a trade-mark is a licensed use and of the identity of the owner, the presumption provided for in s. 50(2) comes into play.

[33] That said, the Act does not provide for any marking requirement or for the name of the manufacturer or source of the wares or services to be known by the public. I wish to reproduce on this point, another excerpt from *Fox on Canadian Law of Trade-marks and Unfair Competition*, at pp. 3-31 and 32:

It is not necessary that the public should know the name of the proprietor of a trade-mark.[FN153] As stated by the U.K. Court of Appeal in *Roche Products Ltd. v. Berk Pharmaceuticals Ltd.* [FN154], and quoted approvingly by the Ontario Court of Appeal,[FN155] it is not necessary for the relevant consuming public to know the manufacturer or source of the wares or services by name. It is sufficient if the relevant public identifies the wares or services by the trading indicia with one particular source, whether that is the manufacturing source or the ultimate licensing source which controls quality: "... it is only necessary that the products have acquired a reputation with the public as coming from one source even if that source is not known by members of the public".[FN156]

In some cases the public may associate a trade-mark with more than one person. The validity of the trade-mark in such a case will depend upon whether such multiple association has or has not caused it to lose its distinctiveness.[FN157] The cases involving this principle are concerned with the use of a trade-mark by an agent or importer and by its

principal, and with the loss of trade-mark rights by multiple use, and are therefore discussed fully in Chapter 5[FN158] and in Chapter 10.[FN159]

[34] The Applicant, relying on the decisions of this Board in *Loblaws Inc. v. Tritap Food Broker* (1999), 3 C.P.R. (4th) 108 at 112; *Axa Assurance Inc. v. Charles Schwab & Co.* (2005), 49 C.P.R. (4th) 47 at 57-58; and *GA Modefine S.A. v. Di Gio' S.R.L.* (2006), 51 C.P.R. (4th) 102 at 111, submits that where a brochure or other marketing materials convey a message to the public that a company other than the trade-mark owner appears to be the authorizing source of wares or services, it does not disqualify the owner from claiming the benefit of such use. Rather, it becomes necessary for the Registrar to consider whether that use was a licensed use enuring to the trade-mark owner pursuant to the provisions of s. 50 of the Act. I agree.

[35] In the present case, the materials attached as Exhibits A and B to the original affidavit of Mr. Kubota convey the message to the public that Iwatsu America is the owner of the Mark and the authorizing source of the wares. As per my review above of the supplementary affidavit of Mr. Kubota, the identification of Iwatsu America as the owner of the Mark is not accurate. The supplementary affidavit of Mr. Kubota demonstrates that Iwatsu America was expressly authorized to use the Applicant's trade-marks in Canada in association with the applied-for wares pursuant to the Distributorship Agreement. The supplementary affidavit also details how the character and quality of the wares is directly and indirectly controlled by its sole manufacturer, the Applicant. For this reason, I am satisfied that all use, advertisement and display of the Mark, including the use described in the first affidavit of Mr. Kubota enures to the Applicant pursuant to s. 50(1) of the Act.

[36] In the circumstances, the mistaken identification of Iwatsu America as the provider of the wares is not fatal to the Applicant. The ultimate source of the OMEGATREK wares remains the Applicant, which controls quality, although such ultimate source may not be known to the relevant public. Accordingly, the Opponent has failed to meet its evidentiary burden to show that the Applicant has permitted others to use the Mark in Canada, but not according to the license requirements set out in s. 50 of the Act or that as a result of a transfer, the Applicant vested rights in the Mark in two or more persons contrary to the requirements of s. 48(2) of the Act.

[37] In view of all the foregoing, the non-distinctiveness ground of opposition is dismissed.

Section 12(1)(d) ground of opposition

[38] The Opponent has pleaded that the Mark is not registrable having regard to the provisions of s. 12(1)(d) of the Act in that it is confusing with the two above-described registered trade-marks OMEGA & Design of the Opponent.

[39] The material date to assess a ground of opposition based on 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.)].

[40] The Opponent has provided certified copies of both registrations. I have exercised the Registrar's discretion to confirm that they are in good standing as of today's date.

[41] As the Opponent's evidentiary burden has been satisfied, the Applicant must therefore establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and either one or both of the Opponent's OMEGA & Design trade-marks.

[42] 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.

[43] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those listed at s. 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 the trade-marks have 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. This list is not exhaustive; all relevant factors are to be considered, and

are not necessarily attributed equal weight [see *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.); and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée* (2006), 49 C.P.R. (4th) 401 (S.C.C.) for a thorough discussion of the general principles that govern the test for confusion].

[44] The parties' marks are inherently distinctive, not describing any particular feature of their respective goods.

[45] The strength of a trade-mark may be increased by means of it becoming known through promotion or use. While the Opponent's registrations claim use of the OMEGA & Design trade-marks in Canada since the various dates of first use indicated in the table above, one of which dating as far back as 1895, the Opponent provided no evidence, whatsoever, of its alleged use of those marks. In the absence of evidence supporting such dates of first use, a claimed date of first use set forth in a registration can establish no more than *de minimis* use and cannot give rise to an inference of significant or continuing use of the marks [see *Entre Computer Centers, Inc. v. Global Upholstery Co.* (1992), 40 C.P.R. (3d) 427 (T.M.O.B.)].

[46] As for the Applicant's Mark, the original affidavit of Mr. Kubota indicates that the Applicant had sales in Canada of about US\$60,000.00 between February 2002 and October 2008. However, no information as to the advertising or promotion of the Mark is provided. In the circumstances, I can hardly ascribe any significant reputation to the Mark.

[47] To sum up, the overall consideration of the inherent distinctiveness of the parties' marks and the extent to which they have become known does not significantly favour one party over the other.

[48] Turning to the nature of the wares and services and the nature of the trade, I must compare the Applicant's statement of wares with the statements of wares and services in the Opponent's registrations [see *Henkel Kommanditgesellschaft auf Aktien v. Super Dragon Import Export Inc.* (1986), 12 C.P.R. (3d) 110 (F.C.A.); and *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (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. The evidence of the parties' actual trades is useful in this respect [see *McDonald's Corp. v. Coffee Hut Stores Ltd.* (1996), 68 C.P.R. (3d) 168 (F.C.A.); *Procter & Gamble Inc. v. Hunter Packaging Ltd.* (1999), 2 C.P.R. (4th) 266 (T.M.O.B.); and *American Optional Corp. v. Alcon Pharmaceuticals Ltd.* (2000), 5 C.P.R. (4th) 110 (T.M.O.B.)].

[49] As put forward by the Applicant, the applied-for wares relate specifically to a restrictive class of telecommunication equipment, namely:

telephones, digital voice-mobile communications equipment, namely cordless telephone set, cordless key telephones, electric switch modules, and base station

whereas the Opponent's registrations are directed to timing and measuring apparatus for sporting activities, and to the sale of watches and watch accessories. The final clause of TMDA5009 must be read restrictively in association with the initial limiting factor ("*appareils techniques et scientifiques*") and the specific wares named, all of which clearly relate to the timing and measuring of sporting activities:

*nommément: la [sic] cellules photo-électriques, portails à contact, compteurs enregistreurs sur bande de papier, pistolets de start à contacts électriques.*

[50] Furthermore, as per my review of the original affidavit of Mr. Kubota, the Applicant's wares are not sold to the general public but through authorized distributors who purchase products for end users in the quantities and configurations to meet their individual requirements. The sale of OMEGATREK-associated wares is done as an adjunct to the manufacturing of business telephone systems. The end-users consist of manufacturing, professional, retail, institutional and general businesses.

[51] As put forward by the Applicant, the purchase of a business telephone system and its adjuncts is a complex and expensive decision with long-term ramifications to any given business. This suggests that the ordinary consumer of the Applicant's wares will naturally take more care than when buying low-cost retail goods [see *Mattel, supra*, at para. 75; and *General Motors Corp. v. Bellows* [1949] S.C.R. 678].

[52] By comparison, it is fair to assume that the Opponent's watches are most likely sold to the general public, and its timing and measuring apparatus for sporting activities are most probably sold to sports clubs or organizers of sporting events.

[53] To sum up, I agree with the Applicant that the differences existing between the nature of the parties' wares and their associated channels of trade significantly favour the Applicant.

[54] Turning to the degree of resemblance between the parties' trade-marks, the Opponent's marks consist of a depiction and transliteration of the Greek symbol "Ω" or "omega". The word OMEGA is an English word that means the last (24<sup>th</sup>) letter in the Greek alphabet, and the last of a series; the final development [*Oxford Canadian Dictionary*, 2<sup>nd</sup> Ed. (2004)]. As put forward by the Applicant, it may be inferred from the second definition that the term OMEGA refers to the quality of the wares and services provided by the Opponent, a culmination of the art that will not be surpassed.

[55] The Applicant submits that the commonality of this inference is demonstrated by the number of applications and registrations of different parties for all manner of wares and services consisting solely of the Greek symbol "Ω" or the term "omega" as evidenced by the Gannon affidavit (discussed below).

[56] By comparison, the Mark is a coined or invented word that bears no discernable connection to the applied-for wares. The Mark is a portmanteau word consisting of two verbal elements carrying two distinct ideas. It does not employ the visual element used in the Opponent's marks. In Canadian English, the component TREK means "travel or make one's way on foot, esp. arduously" or "a journey or walk by trekking" [*Oxford Canadian Dictionary, supra*]. As the applied-for wares have no apparent association with travel, walking, or arduousness, I agree with the Applicant that fusing the element TREK in a single word with the element OMEGA results in a new and freshly coined word.

[57] This brings me to comment on the Gannon affidavit. As an additional surrounding circumstance, the Applicant submitted evidence of the state of the register by way of the Gannon



affidavit. State of the register evidence is introduced to show the commonality or distinctiveness of a mark or portion of a mark in relation to the register as a whole. Evidence of the state of the register is only relevant insofar as inferences may be made on it concerning the state of the marketplace, and inferences about the state of the marketplace can only be drawn when a significant number of pertinent registrations are located [see *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432 (T.M.O.B.); *Welch Foods Inc. v. Del Monte Corp.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.); and *Maximum Nutrition Ltd. v. Kellogg Salada Canada Inc.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)].

[58] More particularly, Mr. Gannon attaches as Exhibit A a chart summarizing the results of a trade-mark search he performed on October 22, 2008, of all active trade-mark records containing the word OMEGA covering any wares or services. The chart identifies 100 active pending applications and 227 existing registrations for trade-marks containing the word OMEGA.

[59] Mr. Gannon further attaches as Exhibit B a chart he compiled of 241 of the above trade-marks which were registered or past the advertisement stage of prosecution. He also attaches as Exhibit C copies of printouts of the trade-mark records for each application and registration identified in Exhibit B.

[60] The search results attached to Mr. Gannon's affidavit are lengthy and Mr. Gannon does not interpret the results or explain what factual inferences might be drawn from them. However, in its written argument, the Applicant explains that other entities enjoy registrations for communication apparatus in association with the element OMEGA, including the following: OMEGA SERIES (TMA424,057) owned by Motorola Inc.; OMEGA (TMA675,418), OMEGA.CA (TMA674,498), and OMEGA & OE DESIGN (TMA675,419) owned by Omega Engineering, Inc.; and OMEGA DESIGN (TMA463,552) owned by Omega Digital Data Inc. The Applicant further submits that it already enjoys a registration for the trade-mark OMEGA PHONE Design (TMA307,786) for use in association with "telephone sets and key telephone systems" (which registration was also revealed by Mr. Gannon's searches and for which a certified copy has also been filed as part of the Applicant's evidence).

[61] As acknowledged by the Applicant at the oral hearing, it is well-established by the jurisprudence that although s. 19 of the Act gives the owner of a registration the exclusive right to the use of that mark with respect to the wares and services covered by the registration, it does not necessarily follow that the registered owner is given an automatic right to obtain any further registrations no matter how closely related they may be to the original registration [see *Coronet-Werke Heinrich Schlerf GmbH v. Produits Ménagers Coronet Inc.* (1984), 4 C.P.R. (3d) 108 (T.M.O.B.) at 115]. That said, in the absence of evidence of use of the aforesaid OMEGA PHONE Design mark by the Applicant purporting to evidence use of a family of “OMEGA” trade-marks, the mere existence of the Applicant’s registration for the OMEGA PHONE Design mark is of little assistance to the Applicant’s case.

[62] The same finding applies to the state of the register evidence. There is a broad range of wares and services associated with the marks located by Mr. Gannon. Except for the five above-identified trade-mark registrations, the vast majority of the marks are not relevant to the issue at hand. As for the aforementioned five registrations, they are owned by three different owners. As such, they do not constitute a number significant enough for inferences about the state of the marketplace to be drawn. In any event, I do not consider that additional circumstance necessary to find in the Applicant’s favour.

[63] Before concluding on the likelihood of confusion, I wish to address the Applicant’s argument with respect to the lack of confusion between the parties’ marks despite their coexistence in Canada since February 2002. Transposing the comments of Board Member Tremblay in *Aspen Custom v. Chrysler Group LLC*, 2011 TMOB 48 (CanLII) at para. 70, it has often been said that an opponent does not need to prove instances of confusion. The burden is on an applicant to demonstrate the absence of a likelihood of confusion. In other words, neither the original affidavit of Mr. Kubota, nor the absence of evidence of confusion relieves the Applicant from its burden of proof. While the coexistence of the parties’ marks since February 2002 without any evidence of confusion may lend support to the Applicant’s case, I find it unnecessary to consider that additional circumstance in order to conclude in favour of the Applicant.

### Conclusion regarding the likelihood of confusion

[64] As indicated above, the issue is whether a consumer, who has a general and not precise recollection of the Opponent's marks, will, upon seeing the Mark, be likely to believe that their associated wares or services share a common source.

[65] Considering my analysis above and particularly in view of the specialized nature and dissimilarity of the applied-for wares, their restricted channels of trade and sophisticated audience, and the differences existing between the parties' marks, I find that the Applicant has satisfied its burden to show that there is not a reasonable likelihood of confusion between the marks in issue.

[66] Accordingly, the s. 12(1)(d) ground of opposition based upon the likelihood of confusion between the Opponent's registered OMEGA & Design marks and the Mark is dismissed.

### Section 30 grounds of opposition

[67] The Opponent has pleaded that the application does not comply with the requirements of s. 30 of the Act, because:

- (i) the Applicant has not used or duly registered the Mark outside of Canada in association with the applied-for wares, or discontinued such use in whole or in part;
- (ii) the Applicant falsely declared that it was entitled to registration of the Mark despite its knowledge of the Opponent's marks;
- (iii) at the date of filing of the application, the Applicant had already used the Mark in whole or in part in Canada; and/or
- (iv) the Applicant never had the intention to use the Mark in Canada in association with the applied-for wares.

[68] The material date with respect to allegations of non-compliance with s. 30 is the filing date of the application. The Opponent has not filed any evidence to support its factual allegations. Rather, the Opponent relies on the materials in the original affidavit of Mr. Kubota discussed above that mistakenly identify the Mark as a trade-mark of the Applicant's affiliate, Iwatsu America.

[69] For the reasons given above under the non-distinctiveness ground of opposition, I do not consider the mistaken identification of Iwatsu America as the provider of the wares sufficient to discharge the Opponent's evidentiary burden in the present case. The Applicant's evidence made through the Kubota affidavits is to the effect that the Applicant, through its duly authorized and controlled licensee Iwatsu America, has used the Mark in the United States since February 2001, that it had the intention to use the Mark in Canada as claimed in its application, and that it has commenced use of the Mark in Canada since February 2002.

[70] Furthermore, the mere fact that the Applicant may have been aware of the existence of the Opponent's trade-marks does not preclude it from making the statement in its application required by s. 30(i) of the Act. Where an applicant has provided the statement required by s. 30(i), as the Applicant has done in the present case, a s. 30(i) ground should only succeed in exceptional circumstances such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.)]. There is no such evidence in the present case.

[71] Accordingly, the s. 30 grounds of opposition are dismissed on the basis that the Opponent has not satisfied its evidentiary burden.

[72] Before turning to the s. 16 grounds of opposition, I wish to add that the Opponent has not pleaded that the application does not comply with the requirements of s. 30 because the Applicant did not have a real and effective industrial or commercial establishment in the United States, which country has been claimed in the present application as the Applicant's country of origin, whereas the Applicant has been identified as a Japanese corporation. In any event, had the Opponent pleaded such a ground of opposition, and had such ground of opposition succeeded,

this would have invalidated only the use and registration abroad basis claimed in the Applicant's application. This would not have changed the overall outcome of the present opposition proceeding as the Applicant's application is also based upon proposed use of the Mark in Canada.

#### Section 16 grounds of opposition

[73] The Opponent has pleaded that the Applicant is not the person entitled to registration of the Mark having regard to the provisions of s. 16(2)(a) and (c) as well as 16(3)(a) and (c) of the Act in that at the date of filing of the Applicant's application, the Mark was confusing with various OMEGA trade-marks and trade-names of the Opponent, which had all been previously used in Canada by the Opponent.

[74] An opponent meets its evidentiary burden under such grounds if it shows that as of the date of filing of the applicant's application, its trade-mark or trade-name had been previously used in Canada and had not been abandoned as of the date of advertisement of the applicant's application [s. 16(5) of the Act]. The Opponent has failed to meet its burden. The Opponent did not file any evidence of use of any of its trade-marks or trade-names. As indicated above, the mere filing of a certified copy of registration Nos. TMDA5009 and TMA307,956 can establish no more than *de minimis* use of the OMEGA & Design trade-marks. Such use does not meet the requirements of s. 16(2)(a) and (c) and 16(3)(a) and (c) of the Act.

[75] Accordingly, the s. 16(2)(a) and (c) and 16(3)(a) and (c) grounds are dismissed.

[76] In closing, I note that the Opponent has also pleaded under the introductory paragraphs of s. 16(2) and (3) of the Act that the application does not conform to the requirements of s. 30 of the Act, that the Mark has not been used and registered abroad as claimed in the Applicant's application or that the application is not for a proposed trade-mark but a mark that is being used, and that the Applicant's proposed Mark is not registrable. I am of the view that such pleading does not raise a valid ground of opposition. Such pleading would be more appropriately raised under s. 38(a) (non-compliance with s. 30 of the Act) or (b) (non-registrability pursuant to

s. 12(1)(d) of the Act) discussed above. I further note that the Opponent did not make any representation in its written arguments or at the oral hearing with respect to such pleading. Accordingly, this ground is dismissed.

Disposition

[77] In view of the foregoing and pursuant to the authority delegated to me under s. 63(3) of the Act, I reject the opposition pursuant to s. 38(8) of the Act.

---

Annie Robitaille  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office