

TRADUCTION/TRANSLATION

IN THE MATTER OF AN OPPOSITION by Capital Direct Lending Corp. to application No. 1214210 filed by La Capitale assureur de l'administration publique inc. for the registration of the C@P DIRECT trade-mark

[1] On May 7, 2004, La Capitale assureur de l'administration publique inc. (the "Applicant"), at that time known as La Capitale assurances MFQ inc., filed an application for registration of the C@P DIRECT trademark (the "Mark") based on use in Canada since December 12, 2003, in association with services.

[2] The application was advertised in the *Trade-marks Journal* of August 31, 2005.

[3] On October 20, 2005, Capital Direct Lending Corp. (the "Opponent") filed a statement of opposition. On December 6, 2005, the Applicant filed a counter statement generally and specifically negating the allegations contained in the statement of opposition.

[4] The Opponent's evidence, under section 41 of the Trade-marks Regulations (the "Regulations"), consists of an affidavit from Richard Nichols, the Opponent's general manager for more than seven years, and an affidavit from Janine MacNeil, a paralegal working for the Opponent's trade-mark agents. Mr. Nichols said that he was specifically responsible for the Opponent's daily operations at the Vancouver office, for marketing and for advertising. None of the deponents was cross-examined.

[5] The Applicant's evidence, in accordance with section 42 of the Regulations, consists of an affidavit from Pierre Dansereau, the Applicant's vice-president of marketing and communications since August 16, 2005, and an affidavit from Lena Désilets, a paralegal working for the Applicant's trade-mark agents. Mr. Dansereau said that he has worked in the field of insurance and financial services since 1985. None of the deponents was cross-examined.

[6] Each party filed a written argument and was represented at the hearing.

[7] On February 12, 2009, the registrar accepted an amended application for registration. Therefore, the statement of services in the application for registration currently reads:

Financial services, offered via the Internet with access restricted to password holders, namely mortgage loan and personal loan services, credit cards, discount cards, the collection of premiums and salary deductions and transactional insurance services as well as remote information services provided by telephone or via the Internet with access restricted to password holders, concerning financial services, namely mortgage loan and personal loan services, credit cards, discount cards, the collection of premiums and salary deductions and insurance services.

[8] Less than two weeks before the hearing, the Opponent requested leave to file an amended statement of opposition to include a ground of opposition based on non-compliance with paragraph 30(a) of the *Trade-marks Act*, R.S.C. 1985, c. T-13, (the “Act”). The Applicant stated that it did not have any objection to the leave requested by the Opponent. I confirm by my decision today that, during the hearing, I granted the Opponent leave to file the amended statement of opposition under section 40 of the Regulations. At the hearing, the Opponent stated that it was withdrawing the ground of opposition based on paragraph 16(1)(b) of the Act.

[9] In view of the above, the grounds of opposition in the statement of opposition currently on record are: (i) the application does not meet the requirements of paragraph 30(a) and 30(b) of the Act; (ii) the Mark is not registrable under paragraph 12(1)(d) of the Act; (iii) the Applicant is not the person entitled to the registration of the Mark under paragraphs 16(1)(a) and 16(1)(c) of the Act; (iv) the Mark is not distinctive.

[10] The initial burden of proof is on the Opponent to provide sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist. Once this initial burden is met, the onus is on the Applicant to prove, on the balance of probabilities, that none of the grounds of opposition renders the mark unregistrable [refer to *John Labatt Ltd. v. Molson Companies Ltd.* (1990) 30 C.P.R. (3d) 293 (F.C.T.D.); *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.); and *Wrangler Apparel Corp. v. The Timberland Company* (2005), 41 C.P.R. (4th) 223 (F.C.)].

MATERIAL DATES

[11] The material dates for assessing the circumstances relating to each of the grounds of opposition in this case are the following:

- Paragraph 38(2)(a) – compliance with section 30 of the Act: the filing date of the application [refer to *Georgia-Pacific Corp. v. Scott Paper Ltd. (1984)*, 3 C.P.R. (3d) 469 (T.M.O.B.)];
- Paragraph 38(2)(b) – registrability under paragraph 12(1)(d) of the Act: the date of my decision [refer to *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. (1991)*, 37 C.P.R. (3d) 413 (F.C.A.)];
- Paragraph 38(2)(c) – entitlement to registration under subsection 16(1) of the Act: the date of first use alleged in the application;
- Paragraph 38(2)(d) – distinctiveness: the filing date of the statement of opposition [refer to *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc. (2004)*, 34 C.P.R. (4th) 317 (F.C.T.D.)].

ANALYSIS OF THE GROUNDS OF OPPOSITION

[12] Below I will analyse the grounds of opposition based on the evidence filed on record. I note that no weight will be given to the opinions expressed by either deponent. I also note that the Opponent has failed to provide any arguments to explain what it was trying to prove with the MacNeil Affidavit. Therefore, in my analysis, I will consider this affidavit only as it relates to an argument submitted by the Applicant at the hearing.

Compliance with section 30 of the Act

[13] For the purposes of my analysis of grounds of opposition based on non-compliance with section 30 of the Act, I note that Mr. Dansereau stated the following in paragraph 4 of his affidavit:

[TRANSLATION]

The Applicant is part of a group of companies offering a range of financial and insurance services. The group includes, but is not limited to, la Capitale mutuelle de l'administration publique, La Capitale assurances générales inc. and La Capitale gestion financière inc. (hereinafter collectively called "La Capitale").

[14] In accordance with the Dansereau Affidavit, any subsequent reference to “La Capitale” in my decision is a reference to the group of companies to which the Applicant belongs. However, any ambiguity resulting from a collective reference to “La Capitale” in the Dansereau Affidavit will be resolved against the Applicant [refer to *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.)].

Paragraph 30(a) of the Act

[15] The statement of opposition does not contain any allegations supporting the ground of opposition according to which the services are not described in ordinary commercial terms. In addition, the Opponent did not file any evidence regarding this ground of opposition. However, it did make representations during the hearing. In *McDonald’s Corp. v. M.A. Comacho-Saldana International Trading Ltd.* (1984), 1 C.P.R. (3d) 101 (T.M.O.B.), the registrar concluded that it was sufficient for an opponent to make a satisfactory argument to meet its initial burden of proof with respect to a ground of opposition based on paragraph 30(a) of the Act. As to the test to apply in determining this ground of opposition, in *Dubiner v. Heede International Ltd.* (1975), 23 C.P.R. (2d) 128 (T.M.O.B.), the registrar indicated that an applicant must clearly describe wares or services as they are customarily referred to in the trade.

[16] The Opponent argues that the Applicant’s evidence, specifically paragraphs 12 and 13 of the Dansereau Affidavit reproduced below, shows that a description of services in ordinary commercial terms should refer to a portal:

[TRANSLATION]

12. ...C@P DIRECT is the mark in association with which the secure portal comprising the on-line financial and insurance services offered by La Capitale is marketed. A help line is also available when the users of the portal experience technical difficulties;

13. The portal can be accessed through the www.lacapitale.com Web site only by La Capitale clients with a password to access the portal. The registered and active domain name www.capdirect.com automatically redirects the user to the www.lacapitale.com site. In other words, all the services offered through the C@P DIRECT portal are always offered as secondary to La Capitale’s overall service offering and only to their clients who are registered to use the C@P DIRECT portal tool;

[17] In response to the Opponent's claims, the Applicant argues that a "portal" is a gateway on the Internet. Insofar as the statement of services specifies that they are "offered via the Internet," it argues that the services are described in ordinary commercial terms.

[18] Since I can refer to dictionaries on my own [refer to *Insurance Co. of Prince Edward Island v. Prince Edward Island Insurance Co.* (1999), 2 C.P.R. (4th) 103 (T.M.O.B.)], I note that the definitions for "portal" in the Petit Robert dictionary include: [TRANSLATION] "Computer science. Site used to access the Internet network that provides a range of services and enables access to other sites through its home page. »

[19] Even though I agree that the Opponent's argument enables it to meet its burden of proof, the Applicant's argument is sufficient to convince me that the services associated with the Mark are defined in ordinary commercial terms. In other words, I consider that the lack of the term "portal" in the statement of services is not sufficient reason to find that the application does not comply with paragraph 30(a) of the Act.

[20] In light of the foregoing, I dismiss the ground of opposition based on non-compliance with paragraph 30(a) of the Act.

Paragraph 30(b)

[21] Since the facts are more readily available to the Applicant, the Opponent's initial burden of proof with respect to the ground of opposition based on non-compliance with paragraph 30(b) of the Act is lighter [refer to *Tune Masters v. Mr. P's Mastertune Ignition Services Ltd.* (1986), 10 C.P.R. (3d) 84 (T.M.O.B.)]. The Opponent may rely on the Applicant's evidence to meet that burden of proof, but it must demonstrate that this evidence is clearly inconsistent with the alleged use of the Mark since December 12, 2003, in association with the services identified in the application [refer to *York Barbell Holdings Ltd. v. ICON Health & Fitness, Inc.* (2001), 13 C.P.R. (4th) 156 (T.M.O.B.)].

[22] In this case, the Opponent has failed to submit any evidence to support its ground of opposition. It relies on the Applicant's evidence, which I discuss below, to meet its burden of proof.

[23] Mr. Dansereau states that La Capitale has provided some of its financial and insurance services on-line since the end of 1999, and that these services have changed over the years to allow some on-line transactions [paragraph 8]. He states that these on-line financial and insurance services are grouped together since at least as early as December 12, 2003, on the C@P DIRECT portal, which is managed by the Applicant [paragraph 9]. To paragraph 10 of his affidavit, he adds that [TRANSLATION] "the Applicant dictates and ensures compliance with graphic standards relating to the use of the C@P DIRECT Mark to promote the C@P DIRECT portal."

[24] In paragraph 11 of his affidavit, Mr. Dansereau states that the Mark has been used by La Capitale since at least as early as December 12, 2003, in association with the services referred to in the application for registration on record as of the date of the affidavit (March 1, 2007). I find it reasonable to conclude that Mr. Dansereau's statement applies to the statement of services of the amended application for registration currently on record.

[25] Mr. Dansereau states that Exhibit PD-1 of his affidavit is a copy of a page from the www.lacapitale.com Web site dated September 12, 2002, showing the C@P DIRECT mark as a tab that the user can click on to access the portal [paragraph 14]. In order to show how the Mark is used, he submits a bundle of sample promotional pamphlets [Exhibit PD-2]. He states that these pamphlets describe various financial and insurance services offered by La Capitale through the C@P DIRECT portal and that they are representative of the use of the Mark since as early as December 12, 2003 [paragraph 15].

[26] During the hearing, the Applicant pointed out that Exhibit A of the MacNeil Affidavit, consisting of a copy of the www.lacapitale.com Web site's home page, shows the use of the Mark in advertising the services identified in the application. Although the copy of the home page was partially cut off, I note the presence of the Mark followed by spaces for entering a user

code and a password. In any event, since the homepage was printed on July 5, 2006, Exhibit A is after the critical date for the purposes of this ground of opposition.

[27] The Opponent made very few representations with respect to the ground of opposition based on non-compliance with paragraph 30(b) of the Act in its written argument. These representations can be found in paragraph 27 of the written argument, which is reproduced in part below:

[TRANSLATION]

Although a hand-written note below the screen capture on the photocopied pages states September 12, 2002, there is no demonstrable link between the stated date and the Web site. On a related note, the Application claims use of the trade-mark “since December 12, 2003” and not “since at least as early as December 12, 2003.” Strictly speaking, reference PD-1 does not support the use claim in the application. Similarly, the copy of the pamphlet included under PD-2 to Mr. Dansereau’s Affidavit does not contain any date.

[28] I note immediately that I do not agree with the Opponent’s argument regarding the absence of dates on the pamphlets. Mr. Dansereau clearly states that they are representative of use of the Mark since at least as early as December 12, 2003.

[29] The Opponent, in its written argument, questions the value of Exhibit PD-1 as evidence of the use of the Mark on September 12, 2002. During the hearing, the Opponent relied on Exhibit PD-1 to argue that it and the statement in paragraph 14 of the Dansereau Affidavit show use of the Mark since September 12, 2002, while the application claims use since December 12, 2003. The Opponent also pointed out that the Dansereau Affidavit refers to the number of clients who registered for the C@P DIRECT portal in 2002 [paragraph 16]. In other words, during the hearing, the Opponent took the position that the application does not meet the requirements of 30(b) because the Applicant’s evidence shows use of the Mark prior to the date of first use claimed in the application for registration. During the hearing, the Opponent also made representations that the Applicant’s evidence does not show use of the Mark in association with the services identified in the application. Alternatively, the Opponent stated that the Applicant’s evidence shows, at the very most, use of the Mark in association with remote information services, but that this use is contrary to subsection 50(1) of the Act.

[30] Since the Applicant does not have the initial burden of proving use of the Mark in association with the services named in the application as of the claimed date, it must be determined whether the evidence of use of the Mark submitted by the Applicant is clearly inconsistent with the alleged use in association with the services identified in the application since December 12, 2003. According to the Opponent's representations, there are three aspects to consider.

[31] The first aspect is based on the Opponent's representations that the Dansereau Affidavit shows a date of first use prior to the claimed date of first use. I note that the case law recognizes that an applicant can claim a date of first use after the effective date of first use in the interests of greater certainty [refer to *Marineland v. Marine Wonderland and Animal Park* (1974), 16 C.P.R. (2d) 97 (F.C.T.D.)]. Therefore, I do not agree with the Opponent's argument. It is therefore necessary to consider the second aspect based on representations made by the Opponent that the Applicant's evidence does not show use of the Mark in association with the services identified in the application.

[32] During the hearing, the Opponent based its representations mainly on the promotional pamphlets [Exhibit PD-2] and the example of a message appearing on the monthly hard-copy account statements [Exhibit PD-3] filed by Mr. Dansereau. It also argued that the Dansereau Affidavit does not show use of the Mark in association with the services because it limits itself to showing use of the Mark in the advertising of services. As regards this argument, it is sufficient to recall that subsection 4(2) of the Act provides that a trade-mark is deemed to be used in Canada in association with services if it is used or displayed in the performance or advertising of those services (my emphasis). Therefore, I will now examine the three pamphlets included in Exhibit PD-2.

[33] The front and back of the pamphlets, respectively called *Changez "d'ère"!* and *Prévenez les "coûts"!*, show the name of La Capitale gestion financière inc. Each pamphlet contains, among other things, a depiction of a Web site home page on which the Mark appears. The *Changez "d'ère"!* pamphlet promotes registration to receive Carte Capitale statements on-line.

The *Prévenez les “coûts”!* pamphlet contains an application form for Carte Capitale and information relating to the privileges associated with it and information on a telephone service and on-line services. The telephone service and on-line services are described as follows:

[TRANSLATION]

*The **Info-Solde** telephone service and the on-line Carte Capitale services allow you to have access to your Carte Capitale account balance 24 hours a day, 7 days a week, and request a withdrawal at any time. The **C@P DIRECT** service at www.lacapitale.com allows you to review your transaction history, receive your monthly statement on-line, create new budget allowances at any time and even consult your personalized fuel consumption statement.*

[34] The information found in the *Prévenez les “coûts”!* pamphlet suggests that the telephone service is associated with Info-Solde and not with the Mark and that the on-line services that allow you to “request a withdrawal at any time” are associated with Carte Capitale. That being said, Mr. Dansereau clearly stated that the services offered through the C@P DIRECT portal are always offered as secondary to La Capitale’s overall service offering. In addition, I have no reason to question his declaration as to the availability of a help line for the portal’s users. I recognize the difficulty of precisely linking the services that allow users to “request a withdrawal at any time” and “create new budget allowances at any time” to one of the financial services offered on-line, such as those specifically identified in the application for registration. That being said, Mr. Dansereau stated that the promotional pamphlets describe various financial and insurance services offered by La Capitale through the C@P DIRECT portal. Therefore, I find it inappropriate to conclude that the first two pamphlets cover all the financial services offered on-line associated with the Mark.

[35] The front and back of the third pamphlet, entitled *Votre dossier d’assurances en quelques clics!*, show a logo composed of the terms La Capitale assurances générales inc. The Mark appears in the pamphlet indicating that [TRANSLATION] “with C@P DIRECT, you can now consult your insurance policies on-line.” Although the Opponent correctly stated that the pamphlet does not specifically refer to transactional insurance services, for the same reason as with the two other pamphlets, I find it inappropriate to conclude that the third pamphlet covers all the insurance services associated with the Mark.

[36] As regards Exhibit PD-3, the Opponent argues that it refers to obtaining an on-line statement by registering with C@P DIRECT and not the offer of financial services or transactional insurance services. Moreover, I find that it is also inappropriate to make a decision against the Applicant on the basis of Exhibit PD-3. I would add that the possibility of creating new budget envelopes, as the second pamphlet states, suggests that the C@P DIRECT portal is, in fact, a transactional site.

[37] In light of the foregoing, if I consider the Dansereau Affidavit in its entirety, I find that the Applicant's evidence is not clearly inconsistent with the alleged use of the Mark in association with the services identified in the application since December 12, 2003. It is therefore necessary to consider the third aspect based on representations made by the Opponent that the Applicant's evidence shows that use of the Mark is contrary to subsection 50(1) of the Act.

[38] During the hearing, the Applicant stated that the Dansereau Affidavit does not show use of the Mark by third parties. However, this argument is clearly contradicted by Mr. Dansereau when he states that the Mark is used by La Capitale, referring to member companies of the La Capitale Group. Besides, I recall the fact that the pamphlets contained references to La Capitale gestion financière inc. and La Capitale assurances générales inc., which are specifically identified by Mr. Dansereau as companies separate from the Applicant. In response to my remarks to this effect during the hearing, the Applicant stated that Mr. Dansereau's statements were sufficient to prove that use of the Mark complied with subsection 50(1) of the Act.

[39] The organizational structure alone is not sufficient to establish the existence of a licence within the meaning of subsection 50(1) of the Act. The evidence must show that the Applicant controls, directly or indirectly, the character or quality of the services in association with which the Mark has been used by other member companies of La Capitale Group [refer to *MCI Communications Corp. v. MCI Multinet Communications Inc.* (1995), 61 C.P.R. (3d) 245 (T.M.O.B.); *Loblaws Inc. v. Tritap Food Broker* (1999), 3 C.P.R. (4th) 108 (T.M.O.B.)]. Subsection 50(1) of the Act does not require a written agreement. The evidence of control by the owner of a trade-mark may indicate the existence of an implied licence [refer to *Well's Dairy Inc. v. UL Canada Inc.* (2000), 7 C.P.R. (4th) 77 (F.C.T.D.)].

[40] As previously stated, Mr. Dansereau specifically stated that the portal is managed by the Applicant, which sets and ensures compliance with graphic standards relating to the use of the Mark to promote the portal. Therefore, I agree with the Applicant's submissions that Mr. Dansereau's statements are sufficient to conclude that, in the circumstances of this case, the Applicant profited from the use of the Mark by other member companies of La Capitale Group, in accordance with subsection 50(1) of the Act.

[41] In view of the above, I find that the Opponent has failed to meet its burden of proof with respect to the ground of opposition based on non-compliance with paragraph 30(b) of the Act. Therefore, I dismiss this ground of opposition.

Registrability

[42] The ground of opposition, as argued, alleges that the Mark is not registrable "because it is confusing with the Opponent's registered trade-mark," without providing details as to the registered trade-mark. However, Exhibit A of the Nichols Affidavit is a certificate of authenticity dated June 30, 2006, of registration No. TMA 524691 dated March 13, 2000, for the CAPITAL DIRECT & Dessin trade-mark, depicted below, registered in association with mortgage brokerage services.



[43] In light of the Opponent's evidence, I consider that the Applicant could have at least understood that the Opponent was alleging that the Mark created confusion with the CAPITAL DIRECT & Dessin trade-mark of registration No. TMA 524691 [refer to *Novopharm Ltd. v. Astra AB* (2002), 21 C.P.R. (4th) 289 (F.C.A.)]. In fact, the Applicant has acknowledged in its written argument that the ground of opposition was based on registration No. TMA 524691. After having exercised my discretion to confirm that the registration is in good order, I find the Opponent has met its initial burden with respect to this ground of opposition. Thus, the burden of

proof rests on the Applicant to show, on the balance of probabilities, that there is no likelihood of confusion between the trade-marks at issue. Unless otherwise indicated, mention of the “Opponent’s Mark” in my analysis of the circumstances of this case is a reference to the trade-mark CAPITAL DIRECT & Dessin of registration No. TMA 524691. At this time, I note that the Applicant stated that the use of the trade-mark as depicted below, shown by some exhibits attached to the Nichols Affidavit, is not use of the Opponent’s Mark.



[44] In my view, the differences do not affect the inherent distinctiveness of the Opponent’s Mark, nor do they have an influence on its identity. Therefore, I share the Opponent’s opinion that evidence of use of the trade-mark depicted above is evidence of use of the Opponent’s Mark [refer to *Canada (Registrar of Trade-marks) v. Cie International pour l’informatique CII Honeywell Bull* (1985), 4 C.P.R. (3d) 523 (F.C.A.) and *Promafil Canada Ltee v. Munsingwear Inc.* (1992), 44 C.P.R. (3d) 59 (F.C.A.)].

[45] When it comes to the decision regarding the issue of confusion between the trade-marks at issue, the test of first impression must be applied. In particular, the question to be asked is whether a consumer with an imperfect recollection of the Opponent’s Mark can be mistaken in believing that the services associated with the Mark originate from the Opponent or are authorized by it. To do so, one must have regard to all the surrounding circumstances, including the criteria stated in subsection 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 that 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. All these criteria need not be attributed equal weight since, depending on its importance, one criterion can prevail over one or more of the others [refer to *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.) and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée et al.*, [2006] 1 S.C.R. 824 (2006), 49 C.P.R. (4th) 401

(S.C.C.) for a thorough discussion of the general principles that govern the test for confusion]. Before considering the circumstances of this case, I will make some preliminary remarks.

[46] In paragraph 3 of his affidavit, Mr. Nichols states, “Capital Direct uses CAPITAL DIRECT and CAPITAL DIRECT & Dessin as trade-marks in Canada (“the CAPITAL DIRECT Marks”).” Therefore any subsequent reference to the “CAPITAL DIRECT Marks” in my decision is a collective reference to the CAPITAL DIRECT trade-mark and the Opponent’s Mark pursuant to the Nichols Affidavit. However, any ambiguity resulting from the lack of details about whether the evidence relates to the CAPITAL DIRECT trade-mark or the Opponent’s Mark will be resolved against the Opponent.

[47] I give no weight to Mr. Dansereau’s statement that the Mark is part of a family of “CAP” trade-marks [paragraph 7]. The mere fact that Mr. Dansereau identified nine other trade-marks does not allow me to find that a family of marks exists. There is no evidence of use of the alleged trade-marks [refer to *MacDonald’s Corporation v. Yogi Yogurt Ltd.* (1982), 66 C.P.R. (2d) 101 (F.C.T.D.)].

[48] Finally, owing to the Applicant’s representations regarding the analogy between this case and *Molson Canada v. Anheuser-Busch, Inc.* (2003), 29 C.P.R. (4th) 315 (F.C.T.D.), I note that the issue of confusion between the marks is an issue of probabilities and circumstances in view of the unique facts of this case. In other words, each case must be considered according to its circumstances.

- *The inherent distinctiveness of the trade-marks and the extent to which they have become known*

[49] Mr. Dansereau states that the expression “direct” in the Mark [TRANSLATION] “refers to instantaneousness, access to data in real time and easily accessible” and “also refers to the concept of ‘direct’ insurance provided to La Capitale clients without an intermediary” [paragraph 20]. I note that, on the one hand, the Applicant disclaimed the right to the exclusive use of the word “direct” apart from the Mark. On the other hand, despite the use of the “at” symbol (@) instead of the letter “a,” the C@P component comes close to “cap,” a term in

common language, in both English and French, though not descriptive of the services associated with the Mark. However, even if I agreed with the Applicant's claims that use of the "at" symbol instead of the letter "a" gives the Mark some uniqueness, it does not change the fact that the "at" symbol is a typographical character used in e-mail addresses. Therefore, I conclude that a suggestive connotation associated with Internet services is attached to the use of the "at" symbol in the Mark.

[50] The registration No. TMA 524691 disclaims the exclusive right to the use of the words "capital" and "direct" apart from the Opponent's Mark, which, at first sight, contradicts the Opponent's claims that the words "capital" and "direct" are not descriptive of its services. In any event, I consider that the Opponent's Mark is at least suggestive of direct access to capital, i.e. an amount of money. I would add that the Opponent, in its written argument, acknowledged that the concept of "capital" is closely linked to financial services. The graphic element of the Opponent's Mark, that is, the letters "c" and "d," arranged in such a way as to form a dollar sign (\$), helps increase its distinctiveness, but not necessarily in a significant way because they are the first letters of the words forming the Opponent's Mark.

[51] In my opinion, the two trade-marks at issue are inherently distinctive, but neither of them have a significant inherent distinctiveness. Therefore, the evidence should be evaluated to determine whether the extent to which each Mark has become known in Canada enables it to increase its inherent distinctiveness. I will begin analysing the Applicant's evidence followed by the analysis of the Opponent's evidence.

[52] In addition to giving details on the number of clients who have registered on the C@P DIRECT portal for the years 2002 to 2007, Mr. Dansereau states that approximately 10,000 clients have connected to the C@P DIRECT portal since January 1, 2004, that the usage rate is slightly higher than 50%, and that close to 4,000 clients visit the portal at least once a month [paragraph 16].

[53] In paragraph 17 of his affidavit, Mr. Dansereau specifies that the advertisement and promotion of the C@P DIRECT portal are carried out in various ways including sending

promotional pamphlets inserted into monthly hard-copy account statements and sending insurance policies to La Capitale clients [Exhibit PD-2]; a message appearing on monthly hard-copy account statements [Exhibit PD-3]; and sending a specific e-mail to clients who requested information on the monthly statement via the Internet and the C@P Direct portal [Exhibit PD-4]. Mr. Dansereau states that the advertising expenses relating to the C@P DIRECT portal were approximately \$5,000 per year since December 12, 2003 [paragraph 18].

[54] According to the Dansereau Affidavit, the operation of the portal associated with the Mark does not generate any revenue on its own, since all the services offered are secondary to all the services offered by La Capitale [paragraph 19]. Mr. Dansereau provides [TRANSLATION] “a rough estimate of the revenues from some of La Capitale’s financial and insurance services, some of which are provided through the C@P DIRECT portal.” The revenues presented in the Dansereau Affidavit concern the services for “mortgage loans,” “savings and funds” and “general insurance.” Mr. Dansereau does not indicate the period to which these revenues apply.

[55] Although I discuss the nature of the business associated with the Mark below, I note here that Mr. Dansereau states in paragraph 5 of his affidavit that La Capitale’s financial and insurance services are intended for staff of Quebec’s public and parapublic sectors, staff of Quebec’s private sector or for Quebec’s general public (my emphasis). Therefore, considering the Dansereau Affidavit in its entirety, I consider it appropriate to find that, at the most, the Mark has become known in the province of Quebec.

[56] In paragraph 7 of his affidavit, Mr. Nichols states that “Capital Direct lends in excess of \$5,000,000 every month to homeowners across Canada. As of June 30, 2006, Capital Direct has lent in excess of \$235,355,415.” Mr. Nichols also provides the Opponent’s annual revenues for the fiscal years from 1998 to 2005 [paragraph 9]. I share the Applicant’s opinion that it is impossible to presume that the entire value of the loans and revenues, as submitted in the Nichols Affidavit, can be attributed to the Opponent’s Mark.

[57] Mr. Nichols states in paragraph 10 of his affidavit that “CAPITAL DIRECT is the primary brand for Capital Direct.” According to Mr. Nichols’ statements, the Opponent spent

more than \$9 million on marketing and advertising the CAPITAL DIRECT Marks in Canada in the eight years preceding the date of his affidavit (July 6, 2006). Insofar as the advertising expenditures concern the CAPITAL DIRECT Marks, I find that the entirety of these expenditures is not applicable to the Opponent's Mark.

[58] In paragraphs 11 to 30 of his affidavit, Mr. Nichols gives a broad overview of the Opponent's activities throughout Canada to promote, by various methods, the CAPITAL DIRECT Marks, namely the Yellow Pages directories, Web sites run by third parties, newspapers, radio advertising, television advertising, the Opponent's Web site, brochures and pamphlets, mail-outs and sponsorship of organizations and conferences. Various documents relating to the Opponent's advertising activities covering 1998 to 2006 were filed as exhibits to the Nichols Affidavit [Exhibits "B" to "MM"]. Each party, both in its written arguments and at the hearing, presented various arguments regarding the weight to this evidence when considering the extent to which the Opponent's Mark has become known in Canada. My comments in regard to this evidence are as follows:

- Yellow Pages directories [Exhibits "B" to "K"]: Although the Applicant correctly noted that some samples show the terms "Lending Corp." under the Opponent's Mark, I do not agree with the Applicant's claims that it is a use of the Opponent's name. The issue of whether there can be use of both a trade-mark and a trade name depends on the circumstances [refer to *Road Runner Trailer Manufacturing Ltd. v. Road Runner Trailer Co. Ltd.* (1984) 1 C.P.R. (3d) 443 (F.C.T.D.)]. In addition to the fact that the terms "Lending Corp." are presented in a distinctive manner, i.e. in italics, the abbreviation TM appears to the right of the Opponent's Mark. Moreover, there is a strong emphasis on the Opponent's Mark. That being said, I acknowledge that the Opponent's Mark does not appear in all the samples attached as Exhibits "B" to "K."
- Web sites run by third parties [Exhibit "L"]: Mr. Nichols specifically refers to nine Web sites. He indicates the number of impressions per month (e.g. "250,000 ad impressions per month"). However, he does not provide any explanation of the significance of these data or their source. It seems reasonable to conclude that the data were collected by the

owners of the Web site, which raises questions regarding the admissibility of such evidence.

- Newspapers [Exhibits “M” to “T”]: The exhibits include only copies of invoices sent by various newspapers. None of the exhibits are an advertising sample. Owing to the ambiguity resulting from the reference to the CAPITAL DIRECT Marks, I find that it is impossible to presume that the Opponent’s Mark was present in all the advertising.
- Radio advertising [Exhibits “U” to “GG”]: I share the Applicant’s opinion that it must be concluded that the Opponent’s Mark cannot be shown during radio ads. Therefore, I find that the radio ads have little use in establishing the extent to which the Opponent’s Mark has become known. Moreover, it appears that Mr. Nichols’ testimony regarding the number of listeners to radio stations in this case is based on data collected by third parties and, as such, constitutes inadmissible hearsay evidence. No reason was given to explain why this evidence could not be provided by a person who had direct knowledge of it [refer to *R. v. Khan*, [1990] 2 S.C.R. 531].
- Television advertising [Exhibit “HH”]: As argued by the Applicant, the exhibit, consisting in a script of a representative television ad, does not help confirm that the Opponent’s Mark was shown in the television ad. Therefore, owing to the ambiguity resulting from the reference to the CAPITAL DIRECT Marks, I find it impossible to presume that the Opponent’s Mark was present in the television ads.
- The Opponent’s Web site [Exhibit “II”]: The Mark is indeed depicted on pages of the Web site printed on August 28, 2006. However, there is no information on how many Canadians accessed the Opponent’s Web site.
- Brochures and pamphlets [Exhibit “JJ”]: I also note here that the samples show the terms “Lending Corp.” under the Opponent’s Mark with the symbol ® to the right. I agree that these brochures and pamphlets show use of the Opponent’s Mark. However, the evidence relating to their distribution is limited to Mr. Nichols’ statement that the brochures and pamphlets are available throughout Canada.

- Mail-outs [Exhibit “KK”]: The brochures distributed by mail in 2004 and 2005 in four Canadian cities show the Opponent’s Mark. Mr. Nichols also provides information regarding the number of brochures distributed.
- Sponsorships [Exhibits “LL” and “MM”]. The documents relating to the sponsorship of a conference held in Vancouver show the Opponent’s Mark. However, there is no information on the date of this conference or on the number of participants. Although the plaque awarded to the Opponent in 2004 in recognition of its sponsorship of the CanWest Raise a Reader Program shows the Opponent’s Mark, Mr. Nichols’ statement regarding the sponsorship of this program is of little use in establishing the extent to which the Opponent’s Mark has become known in Canada.

[59] Mr. Nichols states that the Opponent received the Consumer’s Choice Award for Best Mortgage Broker in 2003 and 2004 [paragraph 31, Exhibit “NN”]. However, this statement is not useful in establishing the extent to which the Opponent’s Mark has become known in Canada.

[60] Owing to the ambiguity resulting from the lack of details as to knowing whether the evidence provided by the Nichols Affidavit relates to the CAPITAL DIRECT trade-mark or the Opponent’s Mark and the deficiencies in the Nichols Affidavit, I find it difficult to draw any definite conclusions as to the extent to which the Opponent’s Mark has become known in Canada. Even if I can presume from the mere existence of registration No. TMA 524691 that there has been *de minimis* use of the Opponent’s Mark in Canada, I can at most conclude that the Opponent’s Mark has become known to a small extent in Canada [refer to *Entre Computer Centers, Inc. v. Global Upholstery Co.* (1992), 40 C.P.R. (3d) 427 (T.M.O.B.)].

- *The length of time the trade-marks have been in use*

[61] The application for registration is based on use of the Mark in Canada since December 12, 2003. The Opponent’s Mark was registered on the basis of use in Canada since at least as early as January 30, 1998. Despite the deficiencies in the Nichols Affidavit, I find that the samples of advertisements in the Yellow Pages directories show use of the Opponent’s Mark as of 1998 and during subsequent years.

- *The kind of wares, services or businesses; and the nature of the trade*

[62] In considering the kind of services and the nature of the business, I must compare the wording of the services in the application for registration with the wording of the services in the registration [refer to *Henkel Kommanditgesellschaft auf Aktien v. Super Dragon Import Export Inc.* (1986), 12 C.P.R. (3d) 110 (F.C.A.); *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.)].

[63] The Opponent's Mark is registered in association with mortgage brokerage services. Mr. Nichols states that the Opponent "specializes in home equity and mortgage loans by providing loans to homeowners" [paragraph 7].

[64] The Opponent states that there is a substantial overlap between its services and those of the Applicant. It specifically states that the lack of evidence regarding the Applicant's services must be interpreted against the Applicant and that there must be a finding of overlap between the parties' services. For its part, the Applicant states that its application concerns financial services [TRANSLATION] "in a broader sense, excluding brokerage services." The Applicant admits that some of its services are related to the Opponent's services, e.g. the mortgage loan services. However, it states that other services it provides, e.g. collection of premiums, salary deductions and transactional insurance services, are in no way connected with the Opponent's services.

[65] Although I do not share the Opponent's opinion as to the lack of evidence relating to the services associated with the Mark, I find that there is an overlap between the services associated with Opponent's Mark and the services named in the application for registration under "financial services offered via the Internet, with access restricted to password holders, namely mortgage loan and personal loan services, credit cards, discount cards, the collection of premiums and salary deductions." Therefore, I do not agree with the Applicant's argument based on the scope of the statement of financial services in the application and the lack of specific reference to mortgage brokerage services.

[66] The Opponent's Mark is not registered in association with insurance services and the Opponent's evidence does not show a connection between insurance services, transactional or not, and the mortgage brokerage services associated with the Opponent's Mark.

[67] Finally, it seems reasonable to conclude that there is a connection between financial services and information services about financial services, and a connection between insurance services and information services about insurance services.

[68] Based on the foregoing, I find that the kind of services is a criterion favouring the Opponent, if we consider the services indicated in the application under "financial services offered via the Internet, with access restricted to password holders, namely mortgage loan and personal loan services, credit cards, discount cards, the collection of premiums and salary deductions ... as well as remote information services provided by telephone or via the Internet with access restricted to password holders concerning financial services, namely mortgage loan and personal loan services, credit cards, discount cards, the collection of premiums and salary deductions" However, I find that the kind of services is a criterion favouring the Applicant if we consider the services indicated in the application under "transactional insurance services ... as well as remote information services provided by telephone or via the Internet with access restricted to password holders concerning ... insurance services."

[69] Mr. Nichols describes the nature of the Opponent's business as follows [paragraph 8]:

Capital Direct works as an intermediary between homeowners and the banks to obtain mortgages for homeowners at the best available rate from a large selection of lenders that includes most major banks, trust companies and credit unions. Capital Direct is paid a fee by the bank when the loan closes. The fee is included in the loan and paid to Capital Direct by the bank. Clients do not receive invoices from Capital Direct.

[70] Mr. Dansereau states that the services associated with the Mark are offered only to the clients of the Applicant who are registered on the C@P DIRECT portal and are intended for [TRANSLATION] "staff of Quebec's public and parapublic sectors or staff of Quebec's private sector or for Quebec's general public" [paragraph 5].

[71] The Applicant attempts to distinguish the nature of the parties' businesses by arguing that the Opponent's services are intended for a specific clientele, namely clients who have liquidity problems or poor personal management, whereas its services are provided only to its clients through a secure portal. It seems to me that agreeing with this argument would lead me to conclude that the Applicant's clients would not have access to the Opponent's services or vice versa. I will not agree to draw such a conclusion.

[72] The Applicant also states that the consumers are accustomed to receiving direct offers of financial services associated with the Mark by companies like it, while the Opponent is working as an intermediary in a very specialized area, namely mortgage brokerage, and that consumers consult the Opponent for specific purposes and with a specific goal. The Opponent states that regardless of the nature of the Applicant's services, they are intended for the same clients as the Opponent's services are.

[73] On the one hand, I am not satisfied that the evidence on record shows that consumers are accustomed to receiving direct offers of financial services associated with the Mark from companies like the Applicant, as it has submitted. On the other hand, even if the Opponent is acting as an intermediary between the banks and consumers, its services are ultimately offered to the general public, as are those of the Applicant. Moreover, the Opponent's evidence establishes that its advertisements directly target consumers. I would add that neither the statement in services of the application for registration nor the statement of services in the registration contain restrictions in regard to the parties' clients. Accordingly, I consider it reasonable to find that there is an overlap between the natures of the parties' businesses.

- *The degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them.*

[74] For the purpose of the following remarks, I note that Mr. Dansereau states in paragraph 6 of his affidavit that the "cap" prefix is a "shortening of the master trade-mark 'LA CAPITALE' and the firm name 'La Capitale' and also symbolizes the goal to be reached."

[75] The Opponent addresses these criteria rather briefly in its written argument. The Opponent makes representations on its branding strategy regarding the terms “capital” and “direct” and on the evidence on the state of the register. I discuss these representations later on. That being said, the Opponent states that “cap” is an abbreviation of “capital.” I note that *The Canadian Oxford Dictionary*, to which I referred, defines “cap.” as an abbreviation of “capital.” Furthermore, the Opponent states during the audience that the “at” symbol in the Mark does not lessen the likelihood of confusion.

[76] The Applicant states that the marks are distinguishable in appearance, sound and in the ideas suggested. It states that the letters “c” and “d” superimposed in a way that forms a dollar sign are the dominant and distinctive feature of the Opponent’s Mark. It adds that the “at” symbol in the Mark further distinguishes it from the Opponent’s Mark. The Applicant concedes that the “c@p” would be pronounced “cap” by both English-speaking and French-speaking consumers. However, it submits that the Mark would probably be pronounced “CApDIRECT” as one word with little emphasis on pronouncing the letter “p,” while the Opponent’s Mark [TRANSLATION] “would be pronounced as written, i.e. each letter articulated with a brief pause between the two words.” As regards the ideas suggested by the trade-marks, the Applicant refers to the fact that in French, “cap” means a direction, while in English, “cap” means a baseball cap or a bottle cap. Furthermore, the Applicant concedes that, at the very most, if the “c@p” (cap) component were perceived as an abbreviation, it would be perceived as an abbreviation of “LA CAPITALE” or “CAPITALE,” in reference to the Applicant. The Applicant adds that La Capitale refers to Quebec City—where its headquarters are located—the capital city of the Province of Quebec.

[77] Despite the presence of the word “direct” in each Mark, I acknowledge that there are visual differences between them, if considered in their entirety. In my view, the Applicant’s position in regard to the pronunciation of the Mark is without merit. The Mark is made up of two words, like the Opponent’s Mark. I agree that the differences between “c@p” and “capital” result in differences in pronunciation. However, these differences are not necessarily significant.

[78] Since the test of confusion is a matter of first impressions, Mr. Dansereau's statement as to the meaning of the "cap" prefix in the Mark is not determinative. It should be remembered that when there is confusion on the part of the average French-speaking consumer, the average English-speaking consumer or, in special instances, the average bilingual consumer, a trade-mark cannot be registered [refer to *Pierre Fabre Médicament v. Smith Kline Beecham Corp.* (2001) 11 C.P.R. (4th) 1 (F.C.A).].

[79] Given the services associated with the Opponent's Mark, I find it reasonable to conclude that it suggests the idea of direct access to capital in both English and French. I find that it is not without merit to conclude that the average French-speaking consumer would react to the Mark by thinking "heading directly toward something," as stated in the Applicant's written argument. However, given the services associated with the Mark, I find that an average English-speaking consumer is just as likely, if not more so, to react to "cap" by thinking of the abbreviation of "capital" as they would be to think of a baseball cap or a bottle cap. Therefore, despite the Applicant's arguments to convince me of the contrary, I find that there is no difference in the ideas suggested by the marks at issue when it comes to the average English-speaking consumer.

Additional circumstances

[80] Given the evidence filed in the record and the parties' arguments, I will consider the following additional circumstances in this case.

- *State of the register*

[81] Ms. Désilets has introduced into evidence the results of searches performed on February 28 and March 1, 2007, in the Canadian Trade-marks Database available on the Canadian Intellectual Property Office Web site.

[82] Ms. Désilets states that her searches of the active marks showed that there are (i) 112 marks composed of the word "direct" with the term "financ" among the services; (ii) 10 marks composed of the word "direct" with the term "hypothe" among the services (these marks were among the 112); (iii) 17 marks composed of the word "direct" with the term "mortgage" among the services (10 of these marks were among the 112). Ms. Désilets has provided the lists of the

marks identified [Exhibits LD-1, LD-114 and LD-115] and the details of the registrations and applications for registration [Exhibits LD-2 to LD-113 and LD-116 to LD-122].

[83] State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace [refer to *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432 (T.M.O.B.) *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.)]. Furthermore, inferences regarding the state of the marketplace can only be drawn where large numbers of relevant registrations are located [refer to *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)].

[84] The Opponent argues that neither the term “capital” nor any similar term appear in any registered or pending trade-marks. In its written argument, the Opponent makes representations regarding the emphasis placed on the use of terms “capital” and “direct” in its branding strategy. However, during the hearing, the Opponent admitted that it had not submitted evidence to that effect. For its part, the Applicant argued that given the large numbers of marks composed of a first expression followed by the word “direct” in the field of financial services, consumers are likely to distinguish between these trade-marks on the basis of slight differences.

[85] In view of the large number of trade-marks registered by third parties (over 90 registrations), I find that the state of the register evidence allows one to infer that the term “direct” is commonly adopted as a component of trade-marks used in association with financial services. Therefore, the state of the register evidence is an additional circumstance that favours the Applicant.

- *LA CAPITALE SÛR ET DIRECT & Dessin trade-mark*

[86] Mr. Dansereau submitted a certificate of authenticity of registration No. TMA 476969 dated May 29, 1997, for the LA CAPITALE SÛR ET DIRECT & Dessin trade-mark on the Applicant’s behalf [Exhibit PD-5]. In its written argument, the Applicant argues that its use of that trade-mark since January 4, 1995, is an additional circumstance that must be taken in consideration. Besides the absence of evidence of use of the mark put forward, the ownership of registration No. TMA 476969 does not give the Applicant the automatic right to obtain

registration for the Mark [refer to *American Cyanamid Co. v. Stanley Pharmaceuticals Ltd.* (1996), 74 C.P.R. (3d) 571 (T.M.O.B.)].

[87] In its written argument, the Applicant argues that if there were a likelihood of confusion between the Mark and the Opponent's Mark, there would be even greater likelihood of confusion between the Opponent's Mark and its mark LA CAPITALE SÛR ET DIRECT and Design, in which case the validity of registration No. TMA 524691 [TRANSLATION] "... could seriously be cast into doubt on the basis of non-distinctiveness, which would prevent any likelihood of confusion between the marks at issue" [paragraph 90]. Although it is relevant to examine the inherent distinctiveness of the Opponent's Mark according to paragraph 6(5)(a) of the Act, the validity of its registration is not at issue in this case.

Conclusion regarding likelihood of confusion

[88] Considering first the degree of resemblance between the ideas suggested by the marks at issue for the average English-speaking consumer, and second, the length of time the marks have been used, the kind of services and the nature of the business, I find that the Applicant has not established, on the balance of probabilities, that an average English-speaking consumer who has an imperfect recollection of the Opponent's Mark would not be likely to infer that the financial and information services associated with the Mark come from the same source or are otherwise related to the Opponent or authorized by it. After weighing all of the circumstances and considering their relative importance, I am of the opinion that the state of the register evidence is not a sufficient additional circumstance to counterbalance the arguments above. The best the Applicant can hope to gain from this additional circumstance is that there is equal probability of confusion and non-confusion. Since the burden of proof rests on the Applicant, I allow the ground of opposition based on paragraph 12(1)(d) of the Act in regard to the services described in the application as "financial services offered via the Internet, with access restricted to password holders, namely mortgage loan and personal loan services, credit cards, discount cards, the collection of premiums and salary deductions ... as well as remote information services provided by telephone or via the Internet with access restricted to password holders concerning financial services, namely mortgage loan and personal loan services, credit cards, discount cards, the collection of premiums and salary deductions"

[89] First, given the evidence of the Opponent's actual business, and second, given the kind of services, I find that the Applicant has met its burden of proving that there is no likelihood of confusion between the Opponent's Mark and the Mark in association with transactional insurance services and related information services. I am therefore dismissing the ground of opposition based on paragraph 12(1)(d) of the Act regarding the services described in the application as "... transactional insurance services as well as remote information services provided by telephone or via the Internet with access restricted to password holders, concerning ... insurance services."

Entitlement to registration under subsection 16(1) of the Act

Paragraph 16(1)(a) of the Act

[90] I reproduce in part the ground of opposition as argued:

[...] the Applicant is not the person entitled to registration of the Alleged Mark because, prior to and at the date on which the Applicant first used the Alleged Mark in Canada, the Alleged Mark was confusing with the Opponent's trade-mark which had been previously used in Canada.

[91] As stated by the Applicant, the ground of opposition alleges one (my emphasis) trade-mark with no other details. Since I previously indicated that the collective reference to the CAPITAL DIRECT Marks in the Nichols Affidavit had to be resolved against the Opponent, I find that the ground of opposition must be restricted to an allegation that the Applicant is not the person entitled to registration of the Mark because as of the date of first use alleged in the application the Mark was confusing with the registered trade-mark CAPITAL DIRECT & Dessin of registration No. TMA 524691. Therefore, I agree with the Applicant's opinion regarding the scope of the ground of opposition as argued.

[92] There is an initial burden on the Opponent to prove that it used its trade-mark prior to the material date (December 12, 2003) and that it had not abandoned that use as of the publication date of the application (August 31, 2005).

[93] I find that the difference between the material dates for the grounds of opposition based on paragraphs 12(1)(d) and 16(1)(a) of the Act does not have any significant impact on my foregoing analysis. I therefore allow the ground of opposition based on paragraph 16(1)(a) of the Act in regard to “financial services offered via the Internet, with access restricted to password holders, namely mortgage loan and personal loan services, credit cards, discount cards, the collection of premiums and salary deductions ... as well as remote information services provided by telephone or via the Internet with access restricted to password holders concerning financial services, namely mortgage loan and personal loan services, credit cards, discount cards, the collection of premiums and salary deductions...” However, I dismiss the ground of opposition based on paragraph 16(1)(a) of the Act in regard to “... transactional insurance services as well as remote information services provided by telephone or via the Internet with access restricted to password holders concerning ... insurance services.”

Paragraph 16(1)(c) of the Act

[94] The Opponent essentially alleges that the Applicant is not the person entitled to registration of the Mark because at the date of first use claimed in the application the Mark was confusing with the trade name Capital Direct previously used in Canada by the Opponent.

[95] The initial burden is on the Opponent to prove that it was using the trade name Capital Direct at the material date (December 12, 2003) and that it had not abandoned that use as of the publication date of the application (August 31, 2005). During the hearing, the Opponent took the position that the evidence introduced by the Nichols Affidavit with respect to the use of its trade-mark CAPITAL DIRECT is also material to the use of its trade name Capital Direct and that it has therefore met its burden of proof.

[96] I indicated previously that the issue of whether there can be use of both a trade-mark and a trade name depends on the circumstances. The Nichols Affidavit does not provide evidence specifically relating to the use of the Capital Direct trade name. In this regard, I note that Mr. Nichols' mere statement that the Opponent was incorporated on December 19, 1997, does not constitute evidence of use of the alleged trade name. I would add that all the advertising samples attached as exhibits of the Nichols Affidavit are provided as representative samples of the use of the CAPITAL DIRECT Marks. Furthermore, I previously indicated that the lack of a distinction as to whether the evidence relates to the use of the CAPITAL DIRECT trade-mark or to the use of the trade-mark CAPITAL DIRECT & Dessin of registration No. TMA 524691 leads to ambiguity which must be resolved against the Opponent. For all these reasons, I am not prepared to find that Mr. Nichols's testimony relates to the Capital Direct trade name alleged by the Opponent.

[97] Thus, I find that the Opponent has failed to meet its burden of proof and I dismiss the ground of opposition based on paragraph 16(1)(c) of the Act. For all practical purposes, I would add that had I found that the Opponent had met its burden of proof, on the balance of probabilities, the fate of the ground of opposition would have been the same as that of the ground of opposition based on paragraph 16(1)(a) of the Act.

Distinctiveness

[98] The issue of the sufficiency of the allegations supporting the last ground of opposition was raised during the hearing. Therefore, I reproduce a portion of the ground of opposition, as argued:

... The alleged Mark is not ... capable of distinguishing the Applicant's services from the services of others, nor is it adapted to distinguish them, because the Alleged Mark is confusing with a previously registered trade-mark, the Alleged Mark has been used by entities others than the Applicant and the alleged Mark is confusing with a previously used trade name.

[99] During the hearing, the Opponent conceded that it is possible to conclude that this ground of opposition can be restricted to an allegation of likelihood of confusion between the Mark and the trade-mark CAPITAL DIRECT & Dessin of registration No. TMA 524691. I am therefore dismissing immediately the ground of opposition alleging that the Mark is not distinctive in view of its use by third parties and alleging that the Mark is not distinctive in view of the confusion with a previously used trade name.

[100] I have already decided on the issue of confusion between the Mark and the trade-mark CAPITAL DIRECT & Dessin of registration No. TMA 524691 under two grounds of opposition. If I were to find that the evidence on record enables the Opponent to meet its burden of proving that its registered trade-mark had become sufficiently known in Canada as of the material date (October 20, 2005) in such a way that it negated any distinctiveness of the Mark [refer to *Motel 6, Inc. v. No.6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 (F.C.T.D.)], I think that the difference between the material dates would not have an impact on my previous findings. Therefore, the issue of the ground of opposition that the Mark is non-distinctive because it is confusing with the Opponent's registered trade-mark would be the same as under the two previous grounds. I would add that even if I had to find that the Opponent had not met its burden of proving that its registered trade-mark had become sufficiently known in Canada as of the material date in such a way that it negated any distinctiveness of the Mark, the general outcome of this case would be the same.

CONCLUSION

[101] In accordance with subsection 38(8) of the Act and by reason of the powers delegated to me by the Registrar of Trade-marks under subsection 63(3) of the Act, first, I refuse the application for registration regarding “financial services offered via the Internet, with access restricted to password holders, namely mortgage loan and personal loan services, credit cards, discount cards, the collection of premiums and salary deductions ... as well as remote information services provided by telephone or via the Internet with access restricted to password holders concerning financial services, namely mortgage loan and personal loan services, credit cards, discount cards, the collection of premiums and salary deductions ...” Second, I reject the opposition with respect to “...transactional insurance services as well as remote information services provided by telephone or via the Internet with access restricted to password holders only, concerning ... insurance services” [refer to *Produits Menagers Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 C.P.R. (3d) 482 (F.C.T.D.) as authority for a split decision].

DATED AT MONTREAL, QUEBEC, THIS 2ND DAY OF OCTOBER 2009

Céline Tremblay
Member
Trade-marks Opposition Board