



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

Citation: 2011 TMOB 62
Date of Decision: 2011-04-19

**IN THE MATTER OF AN
OPPOSITION by Kost Klip
Manufacturing Ltd. to application
No. 1,305,933 for the trade-mark
CLEARVISION in the name of
BGI Holdings Inc.**

FILE RECORD

[1] On June 19, 2006, BGI Holdings Inc. filed an application to register the trade-mark CLEARVISION, based on proposed use in Canada, in association with the wares “binders.”

[2] The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated January 17, 2007 and was opposed by Kost Klip Manufacturing Ltd. on March 30, 2007.

[3] The Registrar forwarded a copy of the statement of opposition to the applicant on April 12, 2007 as required by s.38(5) of the *Trade-marks Act*, R.S.C. 1985, c. T-13. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition.

[4] The opponent’s evidence consists of the affidavits of Mel N. Mercier and Melissa Lyn Heywood. The applicant’s evidence consists of the affidavit of J.L. Bolokoski. Both parties submitted written arguments, however, only the opponent was represented at an oral hearing held on March 15, 2011.

STATEMENT OF OPPOSITION

[5] The first ground of opposition, pursuant to s.12(1)(d) of the *Trade-marks Act*, alleges that the applied for mark CLEARVISION is not registrable because it is confusing with the opponent's registered mark CLEARVISION covering the wares "point of sale merchandising aids namely, sign label holders and sign holders."

[6] The second ground, pursuant to s.16(3)(a) of the *Act*, alleges that the applicant is not entitled to register the applied for mark because at the date of filing of the application, the applied for mark was confusing with the opponent's mark which had been used and made known in Canada since at least as early as the year 2000.

[7] The third ground, pursuant to s.30(a), alleges that the term "binders" specifying the applicant's wares is not an ordinary commercial term and is therefore unacceptable. In this regard, the opponent cites the *Trade-marks Wares and Services Manual*, dated January 18, 2006, wherein the term "binders" is required to be more specifically defined.

[8] The fourth ground, pursuant to s.30(i), alleges that the applicant could not have been satisfied that it was entitled to use the applied for mark because the applicant was aware or should have been aware of the opponent's mark CLEARVISION.

[9] The fifth ground, pursuant to s.2, alleges that the applied for mark is not adapted to distinguish the applicant's wares from the opponent's wares.

OPPONENT'S EVIDENCE

Mel Mercier

[10] Mr. Mercier identifies himself as Vice President of Operations for the opponent. The opponent was incorporated in 1969 and is located in Port Coquitlam, British Columbia. The opponent is one of the leading suppliers of in-store point of purchase merchandising aids to retailers in Canada and the United States. Its products are used by well known grocery retailers, department stores, drug stores and hardware and building supply centers. The opponent's products consist of PVC clear label holders and metal and plastic sign holders which are attached to in-store shelving units to advertise product pricing, in-store specials, coupons and contests.

[11] The average annual gross revenue of CLEARVISION products is about \$4 million to \$6 million. From 2000 to 2007, the opponent has spent about \$150,000 to

\$220,000 per year on advertising, including the opponent's website. Included as exhibits to Mr. Mercier's affidavit are excerpts from its product catalogues showing the opponent's CLEARVISION products and examples of use of its mark in association with its wares.

[12] Mr. Mercier asserts that the entity Bolder Graphics is a division of BGI Holdings Inc. (the applicant herein) and a direct competitor of the opponent for merchandising display products. Further, the opponent has sold a CLEARVISION "bread rack" product to Bolder Graphics.

Melissa Heywood

[13] Ms. Heywood identifies herself as a registered trade-mark agent experienced in trade-marks searching. She was instructed to perform various computer searches including "a search of the Canadian Trade-mark Register to locate all active trade-marks of record which incorporate both the words CLEAR and VISION (or their phonetic equivalent)." The result of her search is attached as Exhibit A to her affidavit. I note that several third party marks were located including CLEARVISION for safety enclosures and the like; CLEARVISION for saline solution for contact lenses; CLEAR VISION for nail care preparations; AUTOCLEAR VISION for car paint and the like; and EXTREME CLEAR VISION for windshield rain repellent.

[14] Ms. Heywood also conducted Internet searches for the entity Bolder Graphics. The results of her searches are attached as exhibits to her affidavit. Her evidence supports Mr. Mercier's testimony that Bolder Graphics is a division of the applicant BGI Holdings Inc., or is at least closely affiliated with the applicant. In Exhibit F of Ms. Heywood's affidavit, Bolder Graphics describes itself as:

a privately owned diversified company . . . [which] emerged from a specialized Loose-leaf manufacturing company in the late 80s into point of purchase advertising and commercial printing products.

[15] Further, the applicant BGI Holdings Inc. is the owner of the registered mark BOLDERGRAPHICS for use in association with a number of wares including:

(1) point of purchase products, namely, . . . chrome stand signs, counter cards, danglers, advertising displays, signs, posters, . . . tent cards . . .

(2) custom loose-leaf, namely, binders, pockets and pouches, tab dividers, folders, id tags . . . (3) commercial printing products, namely, catalogs, annual reports, magazines, presentation folders, calendars, brochures, corporate identity documents . . .

[16] Exhibit L of Ms. Heywood's affidavit shows the provisions of the *Trade-Marks Wares and Services Manual* pleaded in support of the third ground in the statement of opposition. The manual indicates that there are different types of "binders," for example, chemical binders, machines that reap and tie grains, and various types of stationery binders. Applicants are required to indicate a specific type of binder.

[17] Exhibit M of Ms. Heywood's affidavit consists of trade-mark applications and registrations wherein several third parties have described their wares variously as catalogue binders; data binders; ring binders; loose-leaf binders; loose-leaf ring binders; stationery-type ring binders; three ring binders; metal ring binders; and stationery namely binders.

APPLICANT'S EVIDENCE

J. L. Bolokoski

[18] Mr. Bolokoski identifies himself as the President of the applicant company. The applicant has been in business for over 40 years and is located in Calgary, Alberta. The applicant has been using its mark CLEARVISION on binders since July 2006, that is, since shortly after filing the subject application. The applicant sells its products through sales representatives who have a one-on-one relationship with the customer. The products are customized to the specifications required by the customer. Mr. Bolokoski explains that "The relationship . . . with the customer is very detailed in order to provide the customer with the numerous options that are available for the products."

[19] The CLEARVISION trade-mark is used in association with vinyl binders. The binders are designed according to customer specifications and once the binder is completed they are wrapped with a clear plastic coating to protect the graphics so that the design details can be seen. The mark CLEARVISION does not appear on the binder itself "for obvious reasons."

[20] The applicant also sells CLEARVISION binders that are not customized. In such cases, the customer chooses a CLEARVISION binder from inventory. The trade-mark

CLEARVISION appears on the customer invoice and on a deliver/packing slip inside the shipping box. The slip sets out what is in the box. Exhibits attached to Mr. Bolokoski's affidavit illustrate the applicant's products and the use of the mark CLEARVISION. It appears from the exhibit material that the most popular product is a three ring binder in sizes ranging from 1 inch to 3 inches.

[21] The applicant's CLEARVISION binders are not sold in retail stores but are available only directly from the applicant. The applicant's clients include, for example, large corporate companies, oil and gas companies, law firms and engineering firms who use the binders internally. None of the applicant's customers are retail organizations. The applicant's products are sold primarily in Alberta and British Columbia with some sales in Ontario and Saskatchewan. Revenues under the CLEARVISION mark average \$500,000 annually for the three year period 2006 – 2008. The applicant expends about \$80,000 to \$100,000 annually on advertising, primarily on sponsoring Stampede functions and events, 10K road races and golf tournaments. Information regarding the applicant's products is also available at the applicant's website.

[22] At paragraph 17 of his affidavit, Mr. Bolokoski specifies other products made by the applicant which include megaphones, license plates, ID tags, sample case holders and menu covers. Mr. Bolokoski further states:

The Applicant submits that they are not direct competitors with the Opponent as indicated. If the Applicant is required to order products that support their customers they will order the products from other sources that ship the orders directly to the Applicant. This was the case with the one shipment made by the Opponent to the Applicant since they do not sell "bread racks."

[23] Lastly, Mr. Bolokoski states that there has not been any confusion in the marketplace between the applicant's CLEARVISION binders and the opponent's CLEARVISION products since the applicant began to use the mark in July 2006.

LEGAL ONUS AND EVIDENTIAL BURDEN

[24] The legal onus is on the applicant to show that the application does not contravene the provisions of the *Trade-marks Act* as alleged by the opponent in the statement of opposition. The presence of a legal onus on the applicant means that if a determinate

conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant. However, there is also, in accordance with the usual rules of evidence, an evidential burden on the opponent to prove the facts inherent in its allegations pleaded in the statement of opposition: see *John Labatt Limited v. The Molson Companies Limited*, 30 C.P.R. (3d) 293 at 298. The presence of an evidential burden on the opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist.

Third and Fourth Grounds of Opposition

[25] The third ground of opposition alleges non-compliance with Section 30(a) of the *Trade-marks Act*. Section 30(a) was discussed in *Style-Kraft Sportswear Ltd. v. One Step Beyond Ltd.* (1993), 51 C.P.R. (3d) 271 (T.M.O.B.) as follows:

. . . s.30(a) of the *Act* reads as follows:

30. An applicant for the registration of a trade-mark shall file with the Registrar an application containing

(a) a statement in ordinary commercial terms of the specific wares or services in association with which the mark has been used or is proposed to be used;

The onus or legal burden is on the applicant to show its compliance with the provisions of s. 30(a) of the *Act*: see the opposition decision in *Joseph E. Seagram & Sons Ltd. v. Seagram Real Estate Ltd.* (1984), 3 C.P.R. (3d) 325 at pp. 329-30, and the decision in *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293, 36 F.T.R. 70 (F.C.T.D.). There is, however, an evidential burden on the opponent respecting its allegations of fact in support of that ground. That burden is lighter respecting the issue of non-compliance with s. 30(a) of the *Act* in the present case since the facts are peculiarly within the knowledge of the applicant: see the decisions in *Molson Breweries v. Pernod Ricard S.A.* (1991), 40 C.P.R. (3d) 102 at p. 106, 50 F.T.R. 215, 30 A.C.W.S. (3d) 409 (T.D.), and *Tune Masters v. Mr. P's Mastertune* (1986), 10 C.P.R. (3d) 84 (T.M. Opp. Bd.) at p. 89. The reduced burden is underscored by the fact that the wares in issue were applied for on the basis of proposed use and it is thus very difficult for the opponent to evidence the applicant's intention where it has not yet commenced use of its mark: see the opposition decision in *Procter & Gamble Inc. v. Morlee Corp.* (1993), 48 C.P.R. (3d) 377 at p. 382. The material time for considering the circumstances respecting the issue of non-compliance with the provisions of s. 30(a) of the *Act* is the filing date of the application.

[26] I would first note that with respect to the third ground of opposition, which relies at least in part on the *Trade-marks Wares and Services Manual* (see paragraph 7, above), this Board is not bound by administrative procedures followed in other sections of the Canadian Intellectual Property Office. Nevertheless, I consider that the opponent has at least met its evidential burden, by virtue of Exhibits L and M of Ms. Heywood's affidavit (see paragraphs 16 and 17, above), to put into issue whether the term "binders" *per se* does in fact identify the applicant's wares in ordinary commercial terms. Further, the applicant has not countered the opponent's allegation in any way. The third ground is therefore successful because compliance with s.30(a) has been put into issue and the applicant has not met the legal onus on it to show, on the usual civil balance of probabilities, that the application complies with s.30(a). The application may therefore be refused on the third ground of opposition.

[27] With respect to the fourth ground, s.30(i) applies if fraud is alleged on the part of the applicant or if specific federal statutory provisions prevent the registration of the mark applied for: see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155 and *Canada Post Corporation v. Registrar of Trade-marks* (1991), 40 C.P.R. (3d) 221. In the instant case the pleadings do not support a s.30(i) ground of opposition, and it is therefore rejected.

Remaining Grounds & Material Dates

[28] The determinative issue in this proceeding with respect to the remaining grounds of opposition is whether the applied for mark CLEARVISION for use in association with stationery binders is confusing with the opponent's mark CLEARVISION for use in association with in-store label and sign holders. The legal onus on the applicant is to show that there would be no reasonable likelihood of confusion, within the meaning of s.6(2) of the *Act*, shown below:

The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares . . . associated with those trade-marks are manufactured . . . by the same person, whether or not the wares . . . are of the same general class.

[29] Thus, s.6(2) does not concern the confusion of the marks themselves, but confusion of goods from one source as being from another source. In the instant case, the question posed by s.6(2) is whether there would be confusion of binders produced by the applicant as being provided, licensed or endorsed by the opponent.

[30] The material dates to assess the issue of confusion are (i) the date of decision, with respect to the first ground of opposition alleging non-registrability: see *Andres Wines Ltd. and E & J Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 424 (F.C.A.); (ii) the date of filing the application, in this case June 19, 2006, with respect to the second ground of opposition alleging non-entitlement: see s.16(3)(a) of the *Trade-marks Act*; (iii) the date of opposition, in this case, March 30, 2007, in respect of the fifth ground alleging non-distinctiveness: see *Re Andres Wines Ltd. and E. & J. Gallo Winery* (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.) and *Clarco Communications Ltd. v. Sassy Publishers Inc.* (1994), 54 C.P.R.(3d) 418 (F.C.T.D.). In the circumstances of the instant case, nothing turns on whether the issue of confusion is assessed at a particular material date.

TEST FOR CONFUSION

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

Consideration of s.6(5) Factors

[32] The applied for mark CLEARVISION possesses a relatively low degree of inherent distinctiveness because it is composed of two common words in everyday usage and suggests that the applicant's binders present information in easily visible form. Similarly, the opponent's mark possesses a relatively low degree of inherent distinctiveness and suggests that the opponent's label and sign holders will present labels and signs in an easily visible form. The applied for mark had not acquired any distinctiveness at the earliest material date as the application is based on proposed use. However, I infer from the applicant's evidence that its mark had acquired some distinctiveness at the later material dates through sales and advertising beginning in July 2006. It is not clear from Mr. Mercier's evidence what portion of the opponent's sales and advertising figures relate to the United States and to Canada. As it is incumbent on the opponent to prove all the aspects of its case, I am not prepared to infer any more than a minimal reputation for its mark in Canada at all material times.

[33] The length of time that the marks in issue have been in use favours the opponent as the opponent commenced use of its mark CLEARVISION in 2000, that is, about six years prior to the applicant commencing use of its mark CLEARVISION. However, since the extent of the opponent's use of its mark in Canada has not been established, the length of time that the marks have been in use is a minor factor.

[34] Based on the evidence of record, I accept the applicant's submissions at page 15 of its written argument that the nature of the parties' wares are fundamentally different in respect of the wares sold under the applicant's mark CLEARVISION:

The Applicant's wares are binders and the Applicant is in the business of providing a full service solution to its clients relating to packaging and display solutions which range from product design to distribution. The Applicant also provides customized and specialized services to corporate clients for business documentation and presentation. The Opponent's wares are point of purchase products, namely, sign label holders and sign holders and they are in the business of supplying in-store point of purchase merchandising aids to retailers.

[35] I do not accept the opponent's perspective that the parties are direct competitors in respect of wares sold under their CLEARVISION marks. It appears to me that there may

be some occasional overlap in the parties' businesses and channels of trade in respect of wares and services provided by the applicant under its mark BOLDERGRAPHICS, but such activity by the applicant does not have major significance on the issue of confusion concerning the parties' CLEARVISION marks. Of course, with respect to the last factor in s.6(5), the marks in issue are identical.

[36] Considering the above, and taking into account in particular the low inherent distinctiveness of the marks in issue, the opponent's default in establishing a significant reputation for its mark in Canada, and the differences in the parties' wares sold under their CLEARVISION marks, I find that at all material times the applicant has shown on a balance of probabilities that there is no likelihood of confusion.

DISPOSITION

[37] In view of my finding in paragraph 25, above, in respect of the third ground of opposition, the application must be refused. This decision has been made pursuant to a delegation of authority under s.63(3) of the *Trade-marks Act*.

[38] I would add that had the applicant amended its application to more clearly specify its wares, then the outcome of this proceeding would likely have favoured the applicant.

Myer Herzig
Member
Trade-marks Opposition Board