

IN THE MATTER OF AN OPPOSITION
by Cognos Incorporated
to application No. 640,987
for the mark COGNISYS Design
filed by Cognisys Consultants Inc.

On September 22, 1989, the applicant, Cognisys Consultants Inc., filed an application to register the mark COGNISYS Design (illustrated below) based on use of the mark in Canada for the wares "programmes informatiques" and for the services "conseil, formation et développements dans le domain informatique" since May 3, 1988. The lining in the mark is not a claim to any colour.

The subject application was advertised for opposition purposes on August 1, 1990. The opponent, Cognos Incorporated, filed a statement of opposition on August 29, 1990, a copy of which was forwarded to the applicant on October 3, 1990.

The first ground of opposition is that the applied for mark is not registrable, pursuant to Section 12(1)(d) of the Trade-marks Act, because the mark COGNISYS Design is confusing with one, or both, of the opponent's registered marks COGNOS (regn. No. 336,836) and COGNOS Design, regn. No. 354,637, illustrated below, covering the wares "computer software programs" and covering services relating to training others in the use of computer technology.

The second ground of opposition, as initially pleaded, is that the applicant is not the person entitled to registration, pursuant to Section 16(3)(a). That pleading is obviously in error as Section 16(3)(a) relates to a trade-mark application based on proposed use in Canada. It is Section 16(1)(a) that should have been pleaded. The applicant brought the error to the attention of

the opponent twice, once early on in the proceedings in the applicant's revised counter statement, and later in the applicant's written argument. Nevertheless, the opponent did not take steps to amend its pleadings (as permitted by Rule 42 of the Trade-marks Regulations) until about a week prior to the oral hearing. The issue of whether the opponent should be granted leave to amend was argued at the oral hearing. Counsel for the opponent submitted that the error was an oversight and could offer no explanation why the opponent did not request leave to amend earlier. However, counsel for the opponent stressed the importance of the amendment to his client, and argued that the applicant would not be prejudiced by the late amendment. Counsel for the applicant objected to the proposed amendment, but did not raise any convincing argument to show how his client would be prejudiced if leave to amend was granted. At the oral hearing I indicated that I would take the applicant's objections under reserve and that the opponent would be permitted to at least present its arguments pursuant to Section 16(1)(a). I now rule that leave to amend is granted on the basis that it is in the interests of justice to decide on the case on its merits, given that no showing of prejudice has been made out by the applicant.

The third ground of opposition is that the applied for mark is not distinctive of the applicant's wares and services.

At the oral hearing, the applicant requested leave to amend the subject application to restrict the wares and services. As the opponent did not raise any convincing objections, and as the Trade-marks Regulations do not prohibit the proposed amendments, I accepted the proposed amendments conditional upon counsel for the applicant undertaking to file a revised application: in this regard, see Practice Notice-Procedure Before The Trade-marks Opposition Board. A revised application was submitted and the revision was formally accepted by Office letter dated November 19, 1993. The revised wares and services read as follows:

wares: "programmes informatiques de cinquième (5ième) génération et d'intelligence artificielle",

services: "conseil, formation et développements dans le domaine des programmes informatiques de cinquième (5ième) génération".

The opponent's evidence consists of the affidavit of R. Todd Plaskacz, Corporate Secretary of the opponent company. The applicant's evidence consists of two statutory declarations of Mr. Pierre Mychaltchouk, President of the applicant company. No cross-examinations were conducted. Both parties filed a written argument and both parties were represented at an oral hearing.

With respect to the second and third grounds of opposition, the opponent's evidence relating to use of, and a reputation for, its marks is less than satisfactory. In this regard, Mr. Plaskacz merely asserts (in paragraphs 5 and 7 of his affidavit) that the opponent has used its marks in Canada and that its marks have become widely known throughout Canada. What is required and what is lacking is evidence from which I can infer that the opponent has in fact used its marks in Canada (within the meaning of "use" as defined in Section 4 of the Trade-marks Act) or evidence from which I can infer that the opponent's marks acquired a reputation in Canada. For example, Mr. Plaskacz asserts in his affidavit that the opponent has "used both the COGNOS word and design trade mark in Canada continuously since 1985", that the opponent has sales offices in Vancouver, Edmonton, Calgary, Winnipeg, Toronto, Ottawa, Montreal, Quebec City, and Halifax, and that the opponent had \$7.74 million in sales in Canada in 1990. However, such evidence does not assist the opponent in the absence of further evidence demonstrating a nexus between sales or advertising and the opponent's marks. At best I might possibly infer use of, or a reputation for, the opponent's trade name Cognos Incorporated at the relevant material dates. Even that would not assist the opponent as the opponent has not relied on its trade name in the statement of opposition. Accordingly, the ground of opposition alleging that the applicant is not entitled to registration is

unsuccessful because the opponent has not shown use of its marks in Canada. Similarly, the ground of opposition alleging that the applied for mark is not distinctive of the applicant is unsuccessful because the opponent has failed to establish a reputation for its marks in Canada. With respect to the evidential burden on the opponent to adduce sufficient evidence to support its grounds of opposition, see Joseph E. Seagram & Sons v. Seagram Real Estate Ltd. (1984), 3 C.P.R.(3d) 325 at 329-30 (TMOB), and see John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R.(3d) 293 at 297-300 (F.C.T.D.).

The remaining ground of opposition is that the applied for mark COGNISYS Design is not registrable, pursuant to Section 12(1)(d), because it is confusing with one, or both, of the opponent's registered marks COGNOS and COGNOS Design. In this regard, it is not necessary to show use, or reputation for, the registered marks relied upon to support a ground of opposition pursuant to Section 12(1)(d). The material date to consider the issue of confusion arising pursuant to Section 12(1)(d) is the date of my decision: see Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R. (3d) 413 (F.C.A.), but see also Conde Nast Publications Inc. v. The Canadian Federation of Independent Grocers (1991), 37 C.P.R (3d) 538 (TMOB).

The legal burden is on the applicant to show that there would not be reasonable likelihood of confusion, within the meaning of Section 6(2), between the applied for mark COGNISYS Design and one, or both, of the opponent's registered marks. In determining whether there would be a reasonable likelihood of confusion, I am to have regard to all the surrounding circumstances, including those enumerated in Section 6(5). The presence of a legal burden on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, the issue must be decided against the applicant: see Joseph E. Seagram & Sons and see John Labatt Ltd., above.

Both parties' marks possess a high degree of inherent distinctiveness as COGNOS and COGNISYS are coined words having no readily discernable meanings in connection with computer software and related services. As discussed earlier, the opponent has not filed any evidence from which I can infer that its marks COGNOS and COGNOS Design have achieved any reputation in Canada.

The applicant was incorporated on May 3, 1988. Its business is restricted to fifth generation computer applications and artificial intelligence, otherwise referred to as expert systems. I accept the applicant's uncontradicted and unchallenged evidence that expert systems and artificial intelligence are a distinct field of computer applications significantly different from earlier, conventional computer technology. I also accept the applicant's evidence that the opponent's business relates to fourth generation computer applications and not to fifth generation applications.

The applicant's sales for its first two years of operation were approximately \$70,000 (in total), increasing to \$180,000 in 1991 and increasing again to \$350,000 in 1992. Because of deficiencies in the applicant's evidence, it is difficult to estimate how much of the applicant's sales were made in association with the applied for mark COGNISYS Design. However, the applicant's evidence which includes examples of advertising and promotion in trade magazines is sufficient to establish that its mark has achieved at least some reputation in Canada for fifth generation computer applications.

The length of time that the marks in issue have been in use is not a particularly weighty factor since neither party has demonstrated significant levels of use of their marks.

The subject application is restricted to fifth generation computer technology, and it is *the description* of wares and services in the applicant's application and in the opponent's registration(s) that are relevant to assessing the issue of confusion arising pursuant to Section 12(1)(d). This differs from assessing the issue of confusion arising pursuant to Section 16, where regard is had to the wares or services *actually sold or provided* under the opponent's mark(s): see the Opposition Board decision in Société Guy Laroche v. Boutique L'Ensemble Inc. (December 29, 1993, yet unreported, re. appln. No. 591,521 for the mark GAROCHE). In other words, in assessing the issue of confusion arising pursuant to Section 12(1)(d), I do not have jurisdiction to limit the scope of the monopoly accorded to the opponent by its trade-mark registration: see Sico Inc. v. Borden Inc. (1970), 63 C.P.R. 223 at 231 (Ex. C.), reproduced below:

In the instant case, Counsel for the opponent argued that fifth generation computer applications are within the scope of wares and services described in the opponent's registrations, namely "computer software programs" (for registration Nos. 336,836 and 354,637) and "computer technology training and consulting, and computer software design and development services" (for regn. No. 354,637). That is so, as a paper exercise. The "paper" overlap in the parties' wares and services follows from the fact that the

opponent's description of its wares and services as set out in its registrations may be overly broad in scope. Nevertheless, it is doubtful that I have jurisdiction in opposition proceedings to limit the scope of protection accorded to a registered mark on the basis that the wares or services covered by the registration are too broad and may therefore not be in compliance with Section 30(a) of the Trade-marks Act: see Canadian Automobile Assn. v. Olde Discount Corp. (1991), 39 C.P.R.(3d) 125 at p. 130 (TMOB). In other words, the validity of an opponent's registration(s) is not in issue in opposition proceedings: see Sunshine Biscuits, Inc. v. Corporate Foods Ltd. (1982), 61 C.P.R.(2d) 53 at 61 (F.C.T.D.).

Accordingly, in assessing the issue of confusion arising pursuant to Section 12(1)(d), I must decide whether confusion would arise if the parties' marks COGNOS, COGNOS Design, and COGNISYS Design were used in the same area in association with fifth generation computer applications: see Section 6(2). I would add that the applicant might have limited the opponent's trade-mark registrations by initiating a Section 45 proceeding, where the Registrar has jurisdiction to amend the wares or services specified in a trade-mark registration. Alternatively, the applicant might have initiated an action in the Federal Court of Canada to restrict the opponent's registrations, pursuant to Section 57. The latter route is probably preferable as the applicant would, presumably, also seek a Court order staying opposition proceedings until the main Court action was decided. A Section 45 proceeding might be impractical because of the time delay before the Registrar issues a decision, and also because the Registrar does not have jurisdiction to stay opposition proceedings: see Ault Foods Ltd. v. Canada (Register of Trade Marks) (1992), 44 C.P.R.(3d) 507 (F.C.T.D.).

Having accepted that there is potential for overlap in the parties' wares and services with respect to fifth generation computer applications, I assume that there is also potential for

overlap in the parties' channels of trade with respect to fifth generation computer wares and services.

As for the resemblance between the marks in issue, I find that there is a fair degree of resemblance aurally and visually, particularly so considering that the first portion of a mark is the more important for the purposes of distinction. However, the marks in issue do not suggest any particular ideas.

In considering the applicant's evidence, I would have been prepared to find the statutory declarations of Yves Roberge, Lisa Saltzman, and Diane Alexis Fournier, attached as exhibits to Mr. Mychaltchouk's statutory declaration (dated February 14, 1991) inadmissible on the basis that the aforementioned three statutory declarations have no independent status in this proceeding: see the recent Opposition Board decision in Scott-Bathgate Ltd. v. Ferrara Pan Candy Co., Inc. (June 30, 1993, yet unreported, re application No. 617,857 for the mark BOSTON BAKED BEANS; at page 2). However, counsel for the opponent did not object that the statutory declarations in issue were improperly filed, and so I have regarded them as admissible. In any event, their only probative value is provided by Mr. Roberge, where he states "les produits offerts par ces deux firmes [the applicant and the opponent] sont totalement différent et s'adressent dans chaque cas à des acheteurs sophistiqués..." As Mr. Roberge's evidence in the main merely corroborates Mr. Mychaltchouk's independent testimony, the applicant's case is not advanced significantly. I would also mention that I accept opponent's counsel's submission that exhibit 4 attached to Mr. Mychaltchouk's second declaration (dated July 25, 1991) is of no probative value whatsoever. The aforementioned exhibit 4 is a letter, from (then) Consumer and Corporate Affairs Canada, advising the opponent that the corporate name Les Consultants Cognisys Inc. does not create a likelihood of confusion with the corporate name Cognos Incorporated.

Having regard to the above, I note in particular that the opponent's marks COGNOS and COGNOS Design possess a high degree of inherent distinctiveness, that there is potential for overlap in the nature of the parties' wares and services, that neither party has demonstrated a significant reputation for its mark(s), and that there is a fair degree of resemblance between the applied for mark COGNISYS Design and the opponent's marks COGNOS and COGNOS Design. Keeping in mind that the test for confusion is one of first impression and imperfect recollection, I am not satisfied that the applicant has fulfilled the legal burden on it to show that, on the balance of probabilities, there would not be a reasonable likelihood of confusion between the applied for mark and either of the opponent's registered marks.

In view of the above, the applicant's application is refused.

The result may well have been otherwise had the opponent's registrations been restricted to fourth generation computer applications.

DATED AT HULL, QUEBEC, THIS 31st DAY OF January , 1994.

Myer Herzig,
Member,
Trade-marks Opposition Board