



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

Citation: 2010 TMOB 95
Date of Decision: 2010-06-21

**IN THE MATTER OF AN OPPOSITION
by E-GATE Communications Inc. to
application No. 1,029,091 for the trade-
mark E*GATE in the name of SeeBeyond
Technology Corporation**

[1] On September 16, 1999, Software Technologies Corporation filed an application to register the trade-mark E*GATE (the Mark). The application was assigned serial number 1,029,091.

[2] The application presently covers the following wares:

- (1) Computer programs for electronic data interface between various software applications, and manuals of instruction sold as a unit therewith;
- (2) Computer programs for electronic data interchange between various software applications, and manuals of instruction sold as a unit therewith.

[3] The application is currently based upon use and registration of the Mark in the United States of America insofar as the wares identified as (1) are concerned; a convention priority date of March 19, 1999 was claimed with respect to such wares.

[4] The application is also based upon proposed of the Mark in Canada with respect to the wares identified as (2).

[5] The right to the exclusive use of the letter E has been disclaimed apart from the Mark.

[6] On February 22, 2002, SeeBeyond Technology Corporation (the Applicant) was recorded as the owner of application No. 1,029,091.

[7] The application was advertised for opposition purposes in the *Trade-marks Journal* of October 12, 2005.

[8] On March 13, 2006, E-GATE Communications Inc. (the Opponent) filed a statement of opposition, which pleaded the following nine grounds of opposition, pursuant to the indicated sections of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act):

1. s. 30(a): the application does not contain a statement in ordinary commercial terms of the specific wares in association with which the alleged Mark has been allegedly used and is proposed to be used;
2. s. 30(d): the application does not contain the name of a country in which the alleged Mark has been used by the Applicant in association with each of the general classes of wares described in the application;
3. s. 30(i): the Applicant could not have been satisfied that it was entitled to use the alleged Mark in Canada in association with the wares described in the application in view of the prior use and registration of the mark EGATE by the Opponent under TMA587,205 in association with the Opponent's services;
4. s. 12(1)(d): the alleged Mark is not registrable because it is confusing with the Opponent's mark EGATE registered under TMA587,205;
5. s. 16(2)(a): the Applicant is not the person entitled to registration of the alleged Mark because, at the date of filing of the application, the Mark was confusing with the mark EGATE that had been previously used in Canada and made known in Canada by the Opponent in association with the Opponent's services;

6. s. 16(2)(c): the Applicant is not the person entitled to registration of the alleged Mark because, at the date of filing of the application, the Mark was confusing with the trade-name E-GATE Communications Inc. that had been previously used in Canada by the Opponent;

7. s. 16(3)(a): the Applicant is not the person entitled to registration of the alleged Mark because, at the date of filing of the application, the Mark was confusing with the mark EGATE that had been previously used in Canada and made known in Canada by the Opponent in association with the Opponent's services;

8. s. 16(3)(c): the Applicant is not the person entitled to registration of the alleged Mark because, at the date of filing of the application, the Mark was confusing with the trade-name E-GATE Communications Inc. that had been previously used in Canada by the Opponent;

9. s. 2: the alleged Mark is not distinctive because it does not actually distinguish the wares in association with which it is proposed to be used by the Applicant from the wares or services of others nor is it adapted so to distinguish them, and in particular, the Opponent's services which the Opponent has performed in Canada since at least as early as May 23, 1996.

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

[10] In support of its opposition, the Opponent filed an affidavit of Paul Andersen. The Applicant obtained an order to cross-examine Mr. Anderson and the transcript of his cross-examination has been filed.

[11] In support of its application, the Applicant filed two affidavits of Elenita Anastacio.

[12] As reply evidence, the Opponent filed an affidavit of Shantelle Garrick. The Applicant obtained an order to cross-examine Ms. Garrick and the transcript of her cross-examination has been filed.

[13] Only the Opponent filed a written argument.

[14] Only the Applicant made submissions at an oral hearing.

Onus

[15] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v. The Molson Companies Limited* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298].

Section 12(1)(d) Ground of Opposition

[16] The Opponent has met its initial burden with respect to its fourth ground of opposition because its registration for EGATE, No. TMA587,205, is extant.

[17] The Opponent has registered EGATE for the following services:

(1) Internet connectivity services, namely, providing services to allow connection to the Internet; Web hosting, electronic mail, dedicated line access to Internet services, network monitoring, hardware configuration and management.

(2) Web site development and design, Internet and Extranet development and consulting, Internet security consulting and implementation, database integration and design consultation, electronic commerce hosting services, namely, electronic database hosting services, electronic commerce solutions, namely, providing solutions to electronic commerce problems, application development services, namely, development of application software related to solutions for electronic commerce problems, operation and design of electronic commerce systems for the

purpose of permitting organizations and businesses to promote and sell goods and services through the Internet.

[18] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[19] In applying the test for confusion, I must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time each has 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. These enumerated factors need not be attributed equal weight. [See, in general, *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.).]

[20] The material date for assessing confusion under s. 12(1)(d) is today's date. [*Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)]

[21] Neither party's mark is inherently strong.

[22] The Applicant has not filed any evidence to show that its Mark has become known to any extent. In contrast, the Opponent has filed the following evidence to show that the Opponent's mark has become known to some extent in Canada.

[23] Mr. Andersen, the Opponent's President, states that the Opponent's mark has been both used and promoted in Canada for more than ten years. Sales between 1997 and 2006 exceeded 5.1 million dollars (annual sales figures have been provided). Exhibit "C" shows the EGATE mark on letterhead and Exhibits "E1" to "E5" show EGATE on various advertisements. Thus, I may conclude that the Opponent's mark has become known to a greater extent than has the Applicant's Mark.

[24] Mr. Andersen's evidence also supports the conclusion that a consideration of the length of time each mark has been in use favours the Opponent.

[25] The Applicant does not contest the two foregoing conclusions. It does however submit that differences in the nature of the parties' wares, services, and trade serve to make confusion unlikely, for the following reasons.

[26] At the oral hearing, the Applicant's agent submitted that the purpose of the Applicant's wares are to transfer data from one computer to others, whereas it considered the Opponent's services to all be Internet-related and revolving around the issue of e-commerce. Thus, it was the Applicant's position that the parties' wares/services serve different functions, even though both operate in the larger field of Internet technology. (I asked for a further elaboration on the differences, but was not provided with any further explanation.) The Applicant's agent expressed the view that the average Canadian would not be confused by the use of the two parties' marks, stating that the average consumer of the Opponent's services is a business whereas the average consumer of the Applicant's wares is a business or an individual.

[27] There may be differences between some of the wares and services of the parties but the position taken by the Opponent in its written argument is that there is an overlap. In particular, the Opponent notes that the Applicant has applied for "computer programs for electronic data interchange between various software applications, and manuals of instruction sold as a unit therewith" and that the Opponent's registration covers "electronic commerce solutions, namely, providing solutions to electronic commerce problems". It goes on to quote part of paragraph 13 of the Andersen affidavit, to the effect that the Opponent develops e-commerce applications in a wide range of platforms including implementations such as developing e-commerce and order management systems and customer relationship tools. It then refers to a case study that the Applicant did for one of its clients (Exhibit "H", Andersen affidavit) to show that the Applicant's wares have been used to connect a client's customer web-based interface with its order management system. Mr. Andersen has attested at paragraph 26 that some of the Opponent's EGATE services include "developing e-commerce and order management systems." Thus the Opponent has established that both parties use their marks in association with e-commerce applications.

[28] I accept that there is an overlap between the parties' wares and services. However, I also note that an overlap is not required in order for there to be a likelihood of confusion given that the test set out in s. 6(2) specifically states that confusion may occur "whether or not the wares or services are of the same general class."

[29] The Applicant's agent did not make any submissions concerning the degree of resemblance between the two marks and I find that the inclusion of an asterisk in the Applicant's Mark does not serve to significantly diminish the very high degree of resemblance that exists between the two marks in appearance, sound, and ideas suggested.

[30] The Applicant did however file evidence concerning the use or registration of other "gate" trade-marks or business names.

[31] I will consider first the state of the register evidence. Ms. Anastacio has provided details of approximately 8 registrations and 13 applications. None of the subject marks are as similar to EGATE as is E*GATE. Moreover, as evidenced by the Opponent's reply evidence, 11 of those registrations/applications have been expunged, abandoned or withdrawn. As state of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace, and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located, no inferences can be drawn from this evidence. [*Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432; *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.); *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)]

[32] Turning to the evidence of business names, I note that Ms. Anastacio located corporate information for six businesses that employ EGATE or E-GATE in their names (see Exhibit "C" to her affidavit, which is a NUANS search). However, one of them, E-GATE Communications Inc., is the Opponent, and two of them, EGATE Networks Inc. and EGATE Domains Inc., are companies related to the Opponent (see paragraphs 6-8, Andersen affidavit). The Applicant has not provided any further evidence to show that the remaining three names are being used in the marketplace. Instead, we have the Opponent's reply evidence that shows that computerized searches did not find telephone listings for any of the three (Exhibit "C", Garrick affidavit). Overall, I find that the evidence provided by the Applicant concerning the marketplace is

insufficient for me to conclude that Canadians are accustomed to distinguishing between businesses that use names that are as similar as E-GATE (or EGATE) and E*GATE.

[33] Having considered all of the surrounding circumstances, I find that the Applicant has not met the onus on it to establish, on a balance of probabilities, that confusion is not likely between its Mark and the Opponent's registered mark. The fourth ground of opposition therefore succeeds.

Section 16 Grounds of Opposition

[34] In order to meet its initial burden with respect to the fifth and sixth grounds of opposition, the Opponent must show that it used its mark or name prior to March 19, 1999. In order to meet its initial burden with respect to the seventh and eighth grounds of opposition, the Opponent must show that it used its mark or name prior to September 16, 1999. Although Mr. Andersen has attested that the Opponent's mark and name have been used since at least as early as May 23, 1996, he has not provided any evidence that shows how they were used prior to the aforementioned dates. The fifth, sixth, seventh and eighth grounds of opposition are therefore dismissed on the basis that the Opponent has not met its initial burden in respect thereof. If the Opponent had met its burden, then these grounds most likely would have succeeded for reasons similar to those set out with respect to the s. 12(1)(d) ground.

Distinctiveness Ground of Opposition

[35] In order to meet its initial burden with respect to the ninth ground of opposition, the Opponent must show that as of March 13, 2006 its mark had become known sufficiently to negate the distinctiveness of the Applicant's Mark. [*Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.); *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D.); *Re 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) 412 at 424 (F.C.A.)] In this regard, the reputation of the Opponent's mark in Canada should be substantial, significant or sufficient, but it need not be well known. [*Bojangles International, LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.)]

[36] Mr. Andersen's evidence satisfies the Opponent's initial burden.

[37] In considering whether the Applicant's Mark is distinctive, one may consider whether it is likely to cause confusion with the Opponent's mark. In the circumstances of this case, nothing turns on the date at which the issue of confusion is determined. Therefore, I reach the same conclusion under this ground as that reached under the s. 12(1)(d) ground. The ninth ground is accordingly successful on the basis that the Applicant has not met the onus on it to establish, on a balance of probabilities, that confusion was not likely between the Opponent's EGATE mark and the Applicant's E*GATE mark as of March 13, 2006.

Section 30 Grounds of Opposition

[38] As I have already held that the application should be refused under two grounds, I will not address the first, second and third grounds of opposition.

Disposition

[39] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application pursuant to s. 38(8) of the Act.

Jill W. Bradbury
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office