



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

**Citation: 2012 TMOB 201**  
**Date of Decision: 2012-10-26**

**IN THE MATTER OF AN OPPOSITION  
by Middlefield Capital Corporation to  
application No. 1,270,814 for the trade-  
mark INDEX PLUS in the name of  
Allianz Global Investors of America L.P.**

[1] On August 29, 2005, Allianz Global Investors of America L.P. (the Applicant) filed an application to register the trade-mark INDEX PLUS (the Mark), based on proposed use of the Mark in Canada in association with financial services, namely, investment management, investment advice, funds investment, investment consultation and investment of funds. The right to the exclusive use of the word INDEX is disclaimed apart from the trade-mark.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of May 2, 2007.

[3] On October 2, 2007, Middlefield Capital Corporation (the Opponent) filed a statement of opposition against the application. The Applicant filed and served a counter statement in which it denied the Opponent's allegations.

[4] In support of its opposition, the Opponent filed an affidavit of W. Garth Jestley, sworn September 26, 2008. The Applicant cross-examined Mr. Jestley on his affidavit and filed a copy of the transcript and related exhibits.

[5] The Applicant filed an affidavit of Elenita Anastacio in support of its application.

[6] The Opponent then attempted to file its responses to undertakings given during the cross-examination of Mr. Jestley. The Registrar returned such materials to the Opponent noting that it is the responsibility of the party conducting the cross-examination to file such materials in a timely manner. The Opponent subsequently obtained leave to file a second affidavit of Mr. Jestley, sworn November 27, 2009. It later also obtained leave to file a third affidavit of Mr. Jestley, sworn December 19, 2011, in order to correct a technical deficiency in the September 26, 2008 Jestley affidavit.

[7] Only the Opponent filed a written argument but both parties made submissions at an oral hearing.

### Onus

[8] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial 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 CPR (3d) 293 (FCTD) at 298].

### Section 38(2)(a)/30(i) Ground of Opposition

[9] The Opponent has pleaded that the application does not comply with section 30(i) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) in that the Applicant could not have been satisfied that it was entitled to use the Mark in Canada because the Mark is confusing with marks used by the Opponent. However, where an applicant has provided the statement required by section 30(i), a section 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant, which is not the case here [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. The section 30(i) ground is accordingly dismissed.

### Section 38(2)(c)/16(3)(a) Grounds of Opposition

[10] The Opponent has pleaded that the Applicant is not the person entitled to registration of the Mark in that at the date the application was filed, the Mark was confusing with each of the

following marks that the Opponent had previously used in Canada in association with financial services and investment services: INDEXPLUS INCOME FUND Design; INDEXPLUS; and INDEXPLUS INCOME FUND. The design mark is shown below:



[11] In order to meet its initial burden, the Opponent must evidence that it had used its marks in Canada prior to August 29, 2005 and had not abandoned its marks as of May 2, 2007 [section 16(5)]. Mr. Jestley's evidence will be reviewed to that end.

[12] Mr. Jestley is the Opponent's President, Secretary, Chief Compliance Officer and Chief Executive Officer. He attests that the Opponent (previously known as Middlefield Securities Limited), by itself and through controlled licensees, has provided financial and investment services in association with the marks INDEXPLUS INCOME FUND and INDEXPLUS INCOME FUND Design since at least as early as August 15, 2003. In particular, the Opponent has provided a TSX-listed, closed-end investment fund that invests in a diversified portfolio of high yielding equities, 50% to 80% of which tracks the S&P/TSX Income Trust Index in association with these marks. An initial public offering prospectus dated July 29, 2003 that displays the marks has been provided as Exhibit E.

[13] The Opponent's services are typically provided to investment funds and the revenue generated through sales of the services in association with the marks in each of the years 2003 through 2007 have exceeded the following: \$700,000; \$2,200,000; \$2,200,000; \$2,000,000; and \$1,700,000 respectively.

[14] The Opponent has advertised its services in association with its INDEXPLUS INCOME FUND marks through press releases, promotional materials, and advertisements placed in Canadian newspapers and periodical publications; examples and dates of these have been provided in paragraphs 21 through 24 and Exhibits G1-G4, H-1, H-2 and I-1 through I-5 of Mr. Jestley's December 19, 2011 affidavit. Advertising expenditures for each of the years 2003 through 2007 have been provided.

[15] Mr. Jestley has also provided copies of the Opponent's 2005 Annual Report, 2006 Year in Review and 2007 Year in Review, as well as a promotional presentation delivered to investment advisors in 2003, each of which refers to INDEXPLUS INCOME FUND (Exhibits B, C, D and J).

[16] Based on the foregoing, I find that the Opponent has met its initial burden.

[17] At the oral hearing, the Applicant submitted that the Opponent has not established its license. Mr. Jestley attested that the license is an oral license, and that the Opponent establishes quality standards to be met by its licensees and actively ensures that such standards are in fact met. During cross-examination, the Applicant established that there is no documentation that reflects the Opponent's oral licenses and/or their character and quality standards. However, the Applicant did not ask any questions about the nature of the character/quality standards or how they are enforced. In these circumstances, I am prepared to accept, based on Mr. Jestley's sworn statements, that use of the marks by the named licensees (Middlefield Fund Management Limited, MFL Management Limited, and Guardian Capital L.P.) accrue to the benefit of the Opponent pursuant to section 50 of the Act.

[18] I also note the Opponent's submission that this is a case where the Opponent is not relying solely on use by a licensee; rather the Opponent's position is that its marks have been used both by it and by its controlled licensees and that the evidence shows that it has used the marks. I agree that this distinguishes the present case from some of the cases cited by the Applicant.

[19] I note that the use of INDEXPLUS INCOME FUND Design qualifies as use of the word mark INDEXPLUS INCOME FUND. For ease of reference, I will focus the rest of my discussion on the likelihood of confusion between that word mark and the Mark.

[20] 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. The test for confusion is one of first impression and imperfect recollection.

[21] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 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 CPR (4th) 321 (SCC), *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC) and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC).]

*inherent distinctiveness of the marks*

[22] Both marks possess some degree of inherent distinctiveness, but neither mark is inherently strong as each is suggestive of the character of the associated services.

*the extent to which each mark has become known*

[23] A mark's distinctiveness can be enhanced through use and promotion. As of the filing date of the proposed use application, only the Opponent's mark had become known to any extent.

*the length of time the marks have been in use*

[24] The length of time the marks had been in use when the application was filed favours the Opponent.

*the nature of the wares, services, business and trade*

[25] The parties both offer financial/investment services and there is no reason to expect that their services would not travel similar channels of trade.

[26] The Applicant submitted that it is not clear from the evidence what services the Opponent's mark has been used with. However, it is evident that the Opponent's mark is used with services that qualify as financial/investment services and specifically relate to an investment

fund to which the Opponent acts as an advisor. I will not discuss the Opponent's specific services further but note that services are generally granted a generous or broad interpretation [*Aird & Berlis v Virgin Enterprises Ltd* (2009), 78 CPR (4th) 306 (TMOB); *Société Nationale des Chemins de Fer Français SNCF v Venice Simplon-Orient-Express Inc et al* (2000), 9 CPR (4th) 443 (FCTD)], that "case law supports a finding that use in association with ancillary services can support a finding of use with primary services" [*Doctor's Associates Inc v American Multi-Cinema, Inc*, 2012 TMOB 77 at para. 41], and that the Opponent specified in its written argument which exhibits show use in association with the two classes of services referred to by Mr. Jestley.

*the degree of resemblance between the marks*

[27] Overall, the degree of resemblance between the marks in appearance, sound and ideas suggested favours the Opponent. Both marks begin with INDEX PLUS and it is axiomatic that the first portion of a trade-mark is the most important for assessing the likelihood of confusion [see *Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 at 188 (FCTD)]. It is noted that the additional words in the Opponent's mark, INCOME FUND, merely describe the Opponent's services. Thus, the Mark is wholly comprised of the most significant portion of the Opponent's mark.

*other surrounding circumstances*

[28] Ms. Anastacio, a trade-mark searcher in the employ of the Applicant's trade-mark agents, conducted various searches in 2009. Ms. Anastacio provides copies of registrations for various trade-marks that include the word INDEX, none of which also include the word PLUS. She also conducted various GOOGLE searches but as they postdate the material date by four years, they are not relevant. The only Internet search that purports to relate to a time period prior to August 29, 2005 is a WAYBACK MACHINE search. Ms. Anastacio states that she used this search service to view the history of the website *www.indexplus.org*; however, the materials that she attaches state that the search was for *http://goldlinkcapital.com.au*. Some of the web pages refer to GOLDLINK COMMODITY INDEXPLUS FUND but this is of no consequence to my

analysis because i) it is not clear to me when these pages existed, ii) this is an Australian website and iii) there is no evidence that any Canadians have ever seen these web pages.

[29] At the oral hearing, the Applicant submitted that if the Opponent has itself used the Mark, the Mark has also been used by others whose use has diluted the Opponent's rights. Given that the Mark contains nothing that serves to distinguish it from the Opponent's mark, I do not see that dilution of the Opponent's rights would necessarily result in the Mark not being confusing with the Opponent's mark. In any event, I note that Mr. Jestley has informed us that Middlefield Index Plus Management Limited, whose name appears on some of the materials (in addition to the Opponent's name), was originally established as the manager of the INDEXPLUS INCOME FUND fund and is a predecessor to Middlefield Fund Management Limited, who Mr. Jestley states has been a licensee of the Opponent since the inception of the fund.

*conclusion*

[30] Having considered all of the surrounding circumstances, I have concluded that as of August 29, 2005 there was a reasonable probability of confusion between the marks at issue. There is nothing about the Mark that serves to distinguish it from the Opponent's mark. Both parties' marks are used in the same industry and only the Opponent has used or promoted its mark. The section 16(3)(a) ground of opposition therefore succeeds based on the Opponent's mark INDEXPLUS INCOME FUND. In addition, the section 16(3)(a) ground of opposition succeeds based on the Opponent's INDEXPLUS INCOME FUND Design mark; this follows because in the design mark, the common words INDEX PLUS are further emphasized resulting in an even greater resemblance with the Mark.

Section 38(2)(c)/16(3)(b) Ground of Opposition

[31] The Opponent has pleaded that the Applicant is not the person entitled to registration of the Mark in that at the date the application was filed, the Mark was confusing with the trade-mark INDEXPLUS INCOME FUND Design that is the subject of the Opponent's application No. 1,206,158, which had been previously filed.

[32] In order to meet its initial burden with respect to the section 16(3)(b) ground of opposition, the Opponent's application No. 1,206,158 had to have been filed prior to August 29, 2005 and not have been abandoned as of May 2, 2007 [section 16(4)]. The Opponent did not provide evidence in this regard so I have exercised the Registrar's discretion to check the Trade-marks Office records [see *Royal Appliance Mfg Co v Iona Appliances Inc* (1990), 32 CPR (3d) 525 (TMOB) at 529]. As application No. 1,206,158 was filed on February 11, 2004 and is still pending, the Opponent's initial burden has been satisfied.

[33] The statement of services in application No. 1,206,158 reads: financial and investment services, namely creation and management of investment funds and assets on behalf of financial institutions, corporations and individuals and the provision of financial and investment advisory services in the areas of creation and structuring of investment vehicles, the completion of offerings to investors, and the identification, selection and monitoring of suitable investments. The Applicant's submission that there should be consequences to the Opponent's failure to quote these services in the statement of opposition is without merit.

[34] My assessment of the likelihood of confusion under this ground is similar to that set out with respect to the section 16(3)(a) ground. If, as alleged by the Applicant, the Opponent's mark had been diluted as of August 29, 2005 as a result of having been associated in part with related companies, this does not mean that the Applicant is entitled to register the Mark in the face of the Opponent's prior application. The Mark is likely to cause confusion with INDEX PLUS INCOME FUND Design because there is a very high degree of resemblance between the marks in appearance, sound and idea suggested, given that the Mark comprises the first and most distinctive portion of the Opponent's mark [see *Masterpiece*]. The words INCOME FUND in the Opponent's mark are clearly descriptive (as supported by the Opponent's disclaimer) and therefore do not serve to distinguish the marks, particularly given that the Applicant's services are described in part as investment of funds, which could include income funds. The fact that the Applicant has dropped the last part of the Opponent's mark (which are two descriptive words) to create the Mark does not make the Mark distinguishable from the Opponent's mark. Moreover, the words INCOME PLUS dominate the Opponent's design mark because they are presented in much larger script than that used for the words INCOME FUND.



[35] Given that the parties' marks bear a high degree of resemblance, their services are the same or related, and the Mark had not acquired any reputation as of the material date, the Applicant has failed to demonstrate that, on a balance of probabilities, confusion between the Mark and the Opponent's applied-for mark was not likely as of August 29, 2005. The section 16(3)(b) ground of opposition accordingly succeeds.

#### Distinctiveness Ground of Opposition

[36] The Opponent has pleaded that the Mark is not distinctive since it does not distinguish nor is it adapted so as to distinguish the services of the Applicant from the services of others, including the services in association with which the Opponent has used its marks.

[37] The material date for assessing confusion under this ground is the filing date of the opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)]. The Opponent meets its evidential burden if it shows that as of October 2, 2007 its trade-mark had become known sufficiently to negate the distinctiveness of the applied-for mark [*Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 at 58 (FCTD); *Re Andres Wines Ltd and E & J Gallo Winery* (1975), 25 CPR (2d) 126 at 130 (FCA)]. I find that the Opponent's evidence satisfies its initial burden.

[38] An analysis of the likelihood of confusion between the Opponent's mark and the Mark as of October 2, 2007 is no more favourable to the Applicant than it is as of August 29, 2005. Accordingly, the distinctiveness ground succeeds for reasons similar to those set out with respect to the section 16 grounds of opposition.

[39] I note that the Opponent did not limit its distinctiveness ground of opposition to reliance upon its own marks. Therefore, in the event that the Applicant is right in submitting that there is use of INDEX PLUS INCOME FUND that does not accrue to the Opponent's benefit, then the distinctiveness ground could also succeed based on such use.

#### Disposition

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

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