



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2020 TMOB 58

Date of Decision: 2020-03-23

IN THE MATTER OF AN OPPOSITION

**Canada Mortgage and Housing
Corporation**

Opponent

And

China Minsheng Banking Corp., Ltd.

Applicant

1,742,264 for CMBC Design

Application

BACKGROUND

[1] On August 18, 2015, China Minsheng Banking Corp., Ltd. (the Applicant) applied for the trademark CMBC Design (the Mark), shown below.

CMBC

[2] The application is based on proposed use in association with the following services:

Financial services for persons not ordinarily resident in Canada, namely, the operation of chequing accounts, savings accounts, the provision of credit card and debit card services,

bill payment services, and account transfers by means of automated banking machines located in Canada; arranging group insurance through telephone banking service (the Services).

[3] The application was advertised on April 27, 2016.

[4] Canada Mortgage and Housing Corporation (the Opponent) opposed the application on June 27, 2016. The Opponent notes in its statement of opposition that it is the owner of the trade name CMHC as well as a number of registered and unregistered CMHC and CMB formative trademarks and several official marks. The Opponent's registered CMHC and CMB trademarks are set out in the attached Schedule A, and the Opponent's official marks are set out in the attached Schedule B. Together the Opponent's unregistered and registered CMHC and CMB trademarks are hereinafter referred to as "the Opponent's CMHC and CMB trademarks".

[5] The grounds of opposition, as amended February 9, 2017, are as follows:

- a) The application does not comply with section 30(e) of the Act because the Applicant never intended to use the Mark in Canada in association with the applied for services;
- b) The Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the Services given the Opponent's use and/or registration of the Opponent's CMHC and CMB trademarks and/or official marks prior to the filing date of the application;
- c) The Applicant could not have been satisfied that it was entitled to use the Mark in Canada since at the filing date, the Applicant was not a party authorized to perform such services in Canada and therefore its use would be in violation of the *Bank Act*, S.C. 1991, c. 46;
- d) The Mark is not registrable because it is confusing with one or more of the Opponent's registered CMHC or CMB trademarks;
- e) The Mark is not registrable because it is prohibited by section 9 of the Act in that it so nearly resembles as to be likely to be mistaken for one or more of the Opponent's official

marks in respect of which public notice was given pursuant to section 9(1)(n)(iii) in the *Trademarks Journal* on various dates prior to the filing date of the application;

- f) The Applicant is not the person entitled to registration of the Mark because at the filing date of the application the Mark was confusing with one or more of the Opponent's CMHC and CMB trademarks which had been previously used by the Opponent in association with the Opponent's goods and services which had not been abandoned as of the date of advertisement of the Mark;
- g) The Applicant is not the person entitled to registration of the Mark because at the filing date of the application the Mark was confusing with the Opponent's tradename CMHC which had been used in Canada by the Opponent and had not been abandoned as of the date of advertisement of the Mark; and
- h) The Mark is not distinctive because it does not distinguish nor is it adapted to distinguish the Applicant's Services from the goods and services of the Opponent used in association with the Opponent's CMHC tradename and/or one or more of the Opponent's CMHC and CMB trademarks and/or one or more of the Opponent's official marks.

[6] All references in this decision are to the *Trademarks Act*, RSC 1985 c T-13, as amended June 17, 2019 Act, with the exception of references to the grounds of opposition which refer to the Act as it read before it was amended. Section 70 of the Act provides that section 38(2) of the Act as it read prior to June 17, 2019 applies to applications advertised prior to that date.

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

[8] The Opponent filed as its evidence the affidavits of David Ayre and Barbara Gallagher. Neither Mr. Ayre nor Ms. Gallagher were cross-examined.

[9] The Applicant did not file any evidence.

[10] Only the Opponent filed a written argument and was represented at a hearing held on March 11, 2020.

MATERIAL DATES AND ONUS

[11] The material dates that apply to the grounds of opposition are as follows:

- sections 38(2)(a)/30 - the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- sections 38(2)(b)/12(1)(d) - the date of my decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)];
- sections 38(2)(b)/12(1)(e) - the date of my decision [*Canadian Olympic Assn v Allied Corp* (1989), 28 CPR (3d) 161 (FCA) and *Canadian Olympic Assn/Assoc Olympique Canadienne v Olympus Optical Co* (1991), 38 CPR (3d) 1 (FCA)];
- sections 38(2)(c)/16(3) - the filing date of the application [see section 16(3)]; and
- sections 38(2)(d)/2 - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 at 324 (FC)].

[12] The evidential burden on the opponent is to prove the facts in its allegations pleaded in the statement of opposition: *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298. The presence of an evidential burden on an 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.

[13] The applicant, on the other hand, has a legal onus to show that the application does not contravene the provisions of the Act as alleged by an opponent (for those allegations for which an opponent has met its evidential burden). The presence of a legal onus on an applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against it.

ANALYSIS OF THE GROUNDS OF OPPOSITION

[14] I will now consider the grounds of opposition, beginning with the section 2 ground.

Distinctiveness Ground of Opposition

[15] The Opponent alleges that the Mark is not distinctive because it does not actually distinguish nor is it adapted to distinguish the Services from the Opponent's services.

[16] There is an initial burden on the Opponent to establish that, as of June 27, 2016, one or more of its trademarks, tradenames and/or official marks were known to such an extent that they could negate the distinctiveness of the Mark. The Opponent will have met its burden if one or more of its trademarks, trade names and/or official marks are known in Canada to some extent or if they are well known in a specific area of Canada [*Bojangles' International, LLC v Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (FC) at para 33].

[17] My analysis below will focus on the Opponent's common law trademark CMHC as I consider that this mark represents the Opponent's best chance of success.

The Opponent Has Met Its Evidential Burden

[18] The Opponent's evidence included in the affidavits of Mr. Ayre summarized below is sufficient to meet its evidential burden. I am satisfied that the exposure of consumers in Canada to various advertisements, information, promotional material and the Opponent's website which have referenced the Opponent's common law trademark CMHC resulted in this trademark being well known in Canada as of June 27, 2016 (the material date).

[19] Mr. Ayre, Deputy Treasurer for the Opponent, provides the following evidence as of the material date:

- established by Parliament on January 1, 1946, the Opponent has over 70 years of experience as Canada's authority on housing, helping Canadians meet their housing needs [para. 3];

- in its capacity as a Canadian public authority within the meaning of the *Trademarks Act*, the Opponent has adopted and used its official marks in Canada for services, namely financial, mortgage, guarantee and insurance services among others [para. 11];
- the Opponent is also the owner of the trade name and trademark, CMHC, which has been used extensively and continuously for several decades throughout Canada in association with CMHC's services [para. 13];
- the Opponent also owns a number of registered trademarks which feature CMHC that have been used in Canada since at least as early as 2008 in association with the Opponent's services [para. 15];
- the Opponent delivers on its mandate through four main business activities: Assisted Housing; Market Analysis and Research; Mortgage Loan Insurance; and Securitization, all of which are supported by the Opponent's infrastructure of people and processes [paragraphs 17-21];
- revenue generated by the Opponent's services provided in Canada in association with the Opponent's trade name, trademarks and official marks has been significant over the years; for example, for the period 2013-2015 alone, net revenue generated by the Opponent's services provided in Canada totaled nearly \$1.4 billion dollars [paragraphs 22-23; Exhibits E & F];
- advertising and promotion of the Opponent's trade name, trademarks and official marks has occurred for many years, for example, through prominent displays on the CMHC website, first launched in 1995, as well as social media sites, including Facebook, Twitter, LinkedIn and YouTube, as well as on printed and online educational and promotional materials [paragraphs 24-26; Exhibits A, D, E, F, I, J, K and L]; and
- the Opponent's website which features the Opponent's trade name, trademarks and official marks prominently received over 3 million hits per year from 2011 – 2016 [paragraphs 26-27].

Applicant's Onus

[20] As the Opponent has met its burden, the Applicant has the onus of proving on a balance of probabilities that there is no reasonable likelihood of confusion between the Mark and the Opponent's trademark CMHC such that the Mark is distinctive of or adapted to distinguish the Services.

Test for confusion

[21] The test to determine the issue of confusion is set out in section 6(2) of the Act where it is stipulated that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would likely lead to the inference that the goods and services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods and services are of the same general class or appear in the same class of the Nice Classification. In making such an assessment, I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5) of the Act: the inherent distinctiveness of the trademarks and the extent to which they have become known; the length of time the trademarks have been in use; the nature of the goods and services or business; the nature of the trade; and the degree of resemblance between the trademarks in appearance, or sound or in the ideas suggested by them.

[22] These criteria are not exhaustive and different weight will be given to each one in a context specific assessment [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, 49 CPR (4th) 401; *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, [2006] 1 SCR 772 (SCC) at para 54]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361 (SCC) at para 49, where the Supreme Court of Canada states that section 6(5)(e), the resemblance between the marks, will often have the greatest effect on the confusion analysis.

[23] The test for confusion is assessed as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the applicant's mark, at a time when he or she has no more than an imperfect recollection of the opponent's trademark, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks [*Veuve Clicquot, supra*, at para 20].

Inherent distinctiveness of the trademarks and extent to which they have become known

[24] Neither party's mark has a high degree of inherent distinctiveness. Marks consisting of initials are considered weak marks with low inherent distinctiveness [*GSW Ltd v Great West Steel Industries Ltd* (1975), 22 CPR (2d) 154 (FCTD) at 163-164]. The Opponent's trademark CMHC is an acronym for Canada Mortgage and Housing Corporation. The Applicant's CMBC trademark is an acronym for China Minsheng Banking Corp.

Extent Known and Length of Time in Use

[25] This factor significantly favours the Opponent. The Opponent has shown extensive use of its trademark CMHC in Canada for a long period of time. Such extensive use has resulted in the Opponent's trademark CMHC becoming distinctive [*Gemological Institute of America Inc v Gemology Headquarters International LLC*, 2014 FC 1153 at paras 104; 111; *Sarah Coventry, Inc v Abrahamian* (1984), 1 CPR (3d) 238 at para 6 (FCTD)]. In contrast, the Applicant's Mark is based on proposed use and there is no evidence that the Mark has become known in Canada to any extent.

Nature of Services and Channels of Trade

[26] The Opponent's financial services primarily comprise providing mortgage and loan insurance. Other services which the Opponent has used its CMHC mark in association with include providing insurance and securitization services to Canadian residential mortgage lenders, providing financing for housing projects and renovations, conducting housing market analysis and funding research into housing design and technologies, providing liquidity to financial institutions, providing stability in housing and housing finance markets, and fostering competition amongst lenders and investment dealers.

[27] The Applicant's Services are for persons not ordinarily resident in Canada, and comprise the operation of chequing accounts, savings accounts, the provision of credit card and debit card services, bill payment services, and account transfers by means of automated banking machines located in Canada; and arranging group insurance through telephone banking service.

[28] The Opponent submits that the Applicant's Services overlap with and are closely related to the Opponent's services. In this regard the Opponent submits that the parties' services could be received by similar consumers and operate in similar channels. For example, a consumer using the Applicant's banking services to obtain and pay for a mortgage would be obligated to use the Opponent's mortgage loan insurance if the buyer of the home had less than a 20% down payment [Ayre Affidavit, Exhibit K].

[29] In the absence of any evidence to the contrary, I agree with the Opponent that the parties' services and channels of trade could overlap.

Degree of Resemblance

[30] As stated earlier, the degree of resemblance between the trademarks will often have the greatest effect on the confusion analysis. When considering the degree of resemblance, the law is clear that the trademarks must be considered in their totality. The appropriate test is not a side by side comparison but an imperfect recollection in the mind of a consumer of an opponent's trademark [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée, supra* at para 20].

[31] This factor favours the Opponent as the two trademarks under consideration closely resemble each other in appearance and as sounded. The Applicant's CMBC Mark is similar in construction as the Opponent's mark as it begins and ends in the same manner as the Opponent's CMHC mark. The only difference is that the third letter in the Applicant's Mark is the letter B instead of an H as in the Opponent's mark. The ideas suggested by the marks are different however because, as mentioned above, the Opponent's mark is an acronym for the Opponent's business Canada Mortgage and Housing Corporation while the Mark is an abbreviation for China Minseng Banking Corp.

Conclusion

[32] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. Although the Opponent's CMHC mark is inherently weak, it has gained distinctiveness due to use and reputation. Therefore, the small differences between the Mark and the Opponent's mark are not sufficient to avert confusion. In view of the factors above, I

conclude that the Applicant has failed to meet its legal onus of showing, on a balance of probabilities, that on June 27, 2016 the Mark was distinctive of the Applicant's Services. This ground of opposition is therefore successful.

SECTION 16(3)(A) GROUND OF OPPOSITION

[33] Although the material date for the section 16(3)(a) ground of opposition is earlier than the material date for the distinctiveness ground of opposition, the different date does not result in a different outcome. The section 16(3)(a) ground of opposition therefore succeeds with respect to the Opponent's CMHC common law trademark.

REMAINING GROUNDS OF OPPOSITION

[34] As I have already found in favour of the Opponent under two grounds, I do not consider it necessary to address the remaining grounds of opposition.

DISPOSITION

[35] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(12) of the Act.

Cindy R. Folz
Member
Trademarks Opposition Board
Canadian Intellectual Property Office





SCHEDULE A






Opponent's CMHC and CMB Registrations

Trademark	Registration No.
 <p>VOTRE SOCIÉTÉ CANADIENNE D'ASSURANCE HYPOTHÉCAIRE</p>	TMA757345
 <p>CANADA'S MORTGAGE INSURANCE COMPANY</p>	TMA757381
 <p>LA SOCIÉTÉ CANADIENNE D'ASSURANCE HYPOTHÉCAIRE</p>	TMA757405
 <p>YOUR CANADIAN MORTGAGE INSURANCE COMPANY</p>	TMA757584
	TMA714179
CANADA MORTGAGE BONDS - CMB	TMA709944

SCHEDULE B

Opponent's Official Marks

Official Mark	Application No.
CMHC	911362
CMB	915124
CMB	912975
	911356
	911357
	911358
	911359
CMHC SELF-EMPLOYED SIMPLIFIED	918286

 <p>SCHL CMHC</p>	902346
 <p>CMHC SCHL</p>	902347
 <p>CMB OHC CANADA OBLIGATIONS MORTGAGE HYPOTHÉCAIRES BONDS DU CANADA</p>	915131
 <p>OHC CMB OBLIGATIONS CANADA HYPOTHÉCAIRES MORTGAGE DU CANADA BONDS</p>	915132
 <p>CMB CANADA MORTGAGE BONDS</p>	915133

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CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE 2020-03-11

APPEARANCES

Julia Werneburg For the Opponent

No one appearing For the Applicant

AGENTS OF RECORD

Gowling WLG For the Opponent

Fillmore Riley LLP For the Applicant