IN THE MATTER OF AN OPPOSITION

by Canada Post Corporation to application No.

741,702 for the trade-mark MATCHMAIL filed

by NBS Card Services, A Division of SBN Systems Inc.

On November 19, 1993, the applicant, NBS Card Services, A Division of SBN Systems

Inc., filed an application to register the trade-mark MATCHMAIL for the following services:

card mailing services, namely placing personalized cards in correlated

personalized card carriers so as to produce custom mailing packages

for clients.

The application is based on use of the mark in Canada since October 24, 1993 and was

advertised for opposition purposes on January 25, 1995.

The opponent, Canada Post Corporation, filed a statement of opposition on March 24,

1995, a copy of which was forwarded to the applicant on May 8, 1995. Leave was granted on

January 20, 1998 to file a revised statement of opposition.

The first ground of opposition is that the applied for trade-mark is not registrable in

view of the provisions of Section 12(1)(b) of the Trade-marks Act. In this regard, the opponent

has alleged that the applicant's mark is deceptively misdescriptive of the character or quality

of the applied for services because

....the use of the term "mail" and the term "match" in association with the term "mail" imply that such services are performed and used by

or authorized by or under the consent and control of the opponent

and its employees.....

The second ground of opposition is that the application does not comply with the

provisions of Section 30(i) of the Act. In support of this ground, the opponent has alleged that

the applicant could not have been satisfied that it was entitled to use its mark in Canada

because the mark suggests that the services have been authorized or approved by the

opponent and because use of the mark is contrary to Section 58 of the Canada Post

Corporation Act.

The third ground is that the applied for trade-mark is not registrable pursuant to

Section 12(1)(d) of the Act because it is confusing with eleven registered trade-marks of the

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opponent including the marks MAIL POSTE & Design and POSTE MAIL & Design registered under Nos. 361,467 and 361,468, respectively.

The fourth ground of opposition is that the applied for trade-mark is not registrable pursuant to the provisions of Sections 9(1)(n)(iii) and 12(1)(e) of the Act in view of a number of official marks of the opponent. Those marks include ADMAIL, ELECTRONIC ADMAIL, MAILTRAC and SUPERMAILBOX. The fifth ground is that the applied for trade-mark is not registrable pursuant to Sections 9(1)(d) and 12(1)(e) of the Act because it is likely to lead to the belief that the services in association with which it is used have received or are produced, sold or performed under governmental patronage, approval or authority.

The sixth ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(1) of the Act because, as of the applicant's claimed date of first use, the applied for trade-mark was confusing with a series of trade-marks, trade-names and official marks previously used in Canada by the opponent and its predecessor in title or for which applications had been previously filed. Those marks and names include ADMAIL, LETTERMAIL, FAXMAIL, SUPERMAILBOX and MAILTRAC.

The seventh ground of opposition reads as follows:

The proposed [sic] trade-mark, contrary to paragraph 38(2)(d) of the Act, is not distinctive in that it is not adapted to distinguish and does not actually distinguish the services in association with which it is used from the wares and services provided by the opponent and its predecessor; on the contrary, it is calculated to give rise to confusion, and to enable the applicant to benefit from and trade off the goodwill of the opponent in its corporate name, trade-marks, official marks and trade-names as referred to above, and in the term MAIL as used in association with its services.

The applicant filed and served a counter statement. As its evidence, the opponent submitted twelve affidavits from the following individuals:

Marc Gingras P. Claire Gordon

Douglas Johnston (2) Paul Oldale (3)

Bruce Moreland Gilles Manor

Bryan Kalef

The applicant filed no evidence. Only the opponent filed a written argument and an oral hearing was conducted at which only the opponent was represented.

As a preliminary matter, it should be noted that, in its written argument, the opponent withdrew its sixth ground of opposition.

Central to most of the opponent's grounds is its contention that the word "mail" is generally understood to refer to the services of the opponent and that consequently the applicant's trade-mark MATCHMAIL would lead the public to believe that the associated services are performed by the opponent. The dictionary and encyclopedia entries evidenced by the Gordon affidavit support the opponent's contention that "mail" is typically understood to mean something that is handled by a government postal system. The Canada Post Corporation Act gives the opponent exclusive rights in this area within certain parameters and, considering the volume of business conducted by the opponent, it is likely that most Canadians associate the ordinary word "mail" with the opponent. In this regard, reference may also be made to the decision in Société Canadienne des Postes v. Postpar Inc. (1989), 20 C.I.P.R. 180, [1988] R.J.Q. 2740. On the other hand, the word "mail" is also used by ordinary Canadians to refer to delivered materials not handled by the opponent such as home-delivered flyers and inter-office paper communications.

A review of the opponent's evidence reveals that the applicant and the opponent are potential competitors. The opponent's evidence establishes that, for a number of years, it has offered and performed special services for large volume users including personalized form letters. It has also provided a computer based messaging service. More recently, the opponent has provided a service very similar to the applicant's service (see the first Johnston affidavit).

In reviewing the evidence in the present case, I have also been guided by the decision of Mr. Justice Muldoon in <u>Canada Post Corp.</u> v. <u>Registrar of Trade Marks</u> (1991), 40 C.P.R.(3d) 221 (F.C.T.D.) which involved an application for judicial review of an interlocutory

ruling from an opposition proceeding. The following comments by Muldoon, J. regarding the Postpar decision appear at page 239 of his decision:

The incidents of Parliament's special regard for, and statutory protection of Can. Post abound in the C.P.C.A. [the Canada Post Corporation Act] and are especially noticeable in the above-recited passages. The definitions, especially those of "mail", "mailable matter" and "transmit by post", virtually equate Can. Post with the notions of "mail or mailing" and "post or posting" of "any message, information, funds or goods which may be transmitted by post."

Mr. Justice Muldoon went on to discuss the provisions of the Canada Post Corporation Act at length and stated as follows at page 240 of the decision:

In light of Can. Post's extraordinary special status conferred by Parliament, the corporation cannot lawfully be prevented, on the TMOB's discretion under the rules, from evincing all of its enormous statutory importance in specific regard to Can. Post's marks and words of corporate identity, by refusing the amendments to its statement of opposition just as if Can. Post were an ordinary individual or corporation. Put another way, the law exacts that Can. Post be enabled to evince its special status regarding its corporate identity in order that the TMOB have fully for consideration Can. Post's exertion of its monopoly, status and identity in opposition to anyone and everyone who or which would seek to become the registered holder of trade marks similar to, or even suggesting those of Can. Post, for such marks fall under the ban of outlawry imposed by the specific and general provisions of the C.P.C.A.

In passing, I wish to note that while it is undoubtedly true that Canada Post Corporation has a special status by virtue of its enabling statute and that it can use the provisions of that statute in support of one or more grounds of opposition, Canada Post Corporation nevertheless should receive the same treatment as others respecting interlocutory requests in opposition proceedings. If Mr. Justice Muldoon is saying otherwise, I disagree.

As for the first ground of opposition, the material time for considering the circumstances respecting the issue arising pursuant to Section 12(1)(b) of the Act is the date of my decision: see the decision in <u>Lubrication Engineers</u>, Inc. v. <u>The Canadian Council of Professional Engineers</u> (1992), 41 C.P.R.(3d) 243 (F.C.A.). The issue is to be determined from the point of view of an everyday user of the services. Furthermore, the trade-mark in question must not be carefully analyzed and dissected into its component parts but rather must be considered in its entirety and as a matter of first impression: see <u>Wool Bureau of Canada Ltd.</u> v. <u>Registrar of Trade Marks</u> (1978), 40 C.P.R.(2d) 25 at 27-28 and <u>Atlantic Promotions Inc.</u> v. Registrar of Trade Marks (1984), 2 C.P.R.(3d)

The applicant's trade-mark MATCHMAIL used in association with the applicant's services suggests that the applicant performs mailing services where a client's advertising message is individually "matched" to its customers. As noted, the opponent provides similar services. Thus, when the mark MATCHMAIL is used with mail-related services, consumers would likely assume that the services originate with or have been approved by the opponent. The opponent has therefore met its evidential burden to show that the applicant's trade-mark is deceptively misdescriptive. Since the applicant failed to file evidence, the first ground of opposition is successful.

As for the second ground of opposition, the applicant has formally complied with the provisions of Section 30(i) of the Act by including the required statement in its application. The issue then becomes whether or not the applicant has substantively complied with that subsection - i.e. - was the statement true when the application was filed? The opponent contends that the statement could not have been true because the applicant's use of its mark was contrary to the provisions of Section 58 of the Canada Post Corporation Act.

I had occasion to consider this issue in <u>Canada Post Corporation</u> v. <u>736217 Ontario</u> (1993), 51 C.P.R.(3d) 112 at page 120 as follows:

I disagree with the opponent's contention. Section 58 of the Canada Post Corporation Act deals with certain offences that arise from the unauthorized use of words or marks suggesting a connection with the opponent. Section 60 of that Act indicates that the offences under Section 58 are criminal in nature and provides for a range of penalties. Thus, it was incumbent on the opponent to evidence that the applicant had been convicted of one or more of the offences spelled out in Section 58 by a court of competent jurisdiction or at least that there is a 'prima facie' case. It is beyond the jurisdiction of the Trade Marks Opposition Board to make such findings although my informal reaction based on the evidence of record is that the applicant did not contravene Section 58. In any event, the opponent has failed to meet the evidential burden on it and consequently the second ground is also unsuccessful. The present case can be contrasted with the situations in E. Remy Martin & Co. S.A. v. Magnet Trading Corp. (HK) Ltd. (1988), 23 C.P.R.(3d) 242 (T.M.O.B.) and Co-operative Union of Canada v. Tele-Direct (Publications) Inc. (1991), 38 C.P.R.(3d) 263 (T.M.O.B.) where the opponent in each case had made out a 'prima facie' case that the applicant's use of its mark was in violation of a federal statute.

My statement that the Opposition Board cannot make such findings was intended to apply to criminal findings only. I did not intend it to apply to a finding of whether or not an opponent had made out a 'prima facie' case that there had been a contravention of Section 58 of the Canada Post Corporation Act. A finding of the latter type can be made by the Board and, as noted, has been made in at least two previous opposition cases.

In a previous case, it was submitted that the 'prima facie' test set out in the Remy Martin case was based on the then applicable test for granting an interlocutory injunction and that the test in such cases is now whether or not there is a serious issue to be tried: see Turbo Resources v. Petro Canada Inc. (1989), 24 C.P.R.(3d) 1 (F.C.A.). Although it is true that in setting out the 'prima facie' test in the Remy Martin case I made reference to a Federal Court case dealing with an application for an interlocutory injunction, that reference was illustrative only. The basis for the 'prima facie' test is the usual evidential burden on an opponent respecting a Section 30 ground (or any ground, for that matter) in an opposition proceeding. Although the onus or legal burden is on the applicant to show its compliance with the provisions of Section 30 of the Act, there is an evidential burden on the opponent to prove the allegations of fact made in support of its ground of opposition: see the opposition decision in Joseph Seagram & Sons v. Seagram Real Estate (1984), 3 C.P.R.(3d) 325 at 329-330 and the decision in John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R.(3d) 293 (F.C.T.D.). In other words, in the present case, the opponent must make out a 'prima facie' case that the applicant has not complied with the provisions of Section 30(i) of the Act.

In the present case, it was incumbent on the opponent to adduce sufficient evidence from which it could reasonably be concluded that the applicant's use of its mark MATCHMAIL would be in contravention of Section 58 of the Canada Post Corporation Act. Having reviewed the opponent's evidence, I consider that it has met its evidential burden respecting this ground. Given that the parties provide similar services under similar marks, I find that the opponent has satisfied its evidential burden to show that the applicant's use of its mark would contravene Section 58 of the Canada Post Corporation Act. Since the applicant failed to file evidence, the second ground is also successful.

As for the third ground of opposition, the material time for considering the circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in <u>Conde Nast Publications Inc.</u> v. <u>Canadian Federation of Independent Grocers</u> (1991), 37 C.P.R.(3d) 538 at 541-542 (T.M.O.B.). The onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Furthermore, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act. The opponent's first two registered trade-marks relied on are MAIL POSTE & Design and POSTE MAIL & Design.

In previous opposition decisions involving the opponent's two registered trade-marks, I found that the marks were inherently weak because they are dominated by the words "mail" and "poste" which I considered to be descriptive of the opponent's services and which were disclaimed in both registrations. However, I consider that I am bound by a recent finding of the Associate Chief Justice of the Federal Court who held that the opponent's two trade-marks are inherently distinctive: see Canada Post Corp. v. Welcome Wagon Ltd. (1997), 74 C.P.R.(3d) 343 at 347 (F.C.T.D.). Based on the widespread use of those marks evidenced by the opponent, I am able to conclude that both marks have become well known throughout Canada. As discussed, the applicant's mark is suggestive of its applied for services and is therefore inherently weak. There is no evidence of any acquired reputation for the applicant's mark.

The length of time the marks have been in use favors the opponent. The opponent's registered services are "postal services" which covers those services performed by the opponent through its postal outlets. Presumably, it also covers the opponent's volume mailing services and customized mailing services. Thus, there is an overlap between the services of the parties. It therefore also follows that there would be an overlap in the natures of the trades of the parties.

As for Section 6(5)(e) of the Act, there is a fair degree of resemblance between the marks in all respects since all three marks include the word "mail." As noted, the applicant's

mark suggests a customized mailing service which is one of the services performed by the opponent. The idea suggested by the opponent's marks is the Canadian postal service performed by the opponent. Thus, there is some resemblance in the ideas suggested by the marks at issue.

As an additional surrounding circumstance, I have considered the opponent's family or series of marks. The opponent has evidenced use of a number of trade-marks incorporating the word "mail" including ADMAIL, LETTERMAIL, LASERMAIL and FAXMAIL. This increases the likelihood that consumers would associate the applicant's trade-mark MATCHMAIL with the opponent.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the resemblance between the services, trades and marks of the parties, I find that the applicant's mark is confusing with the opponent's two registered marks. The third ground is therefore successful insofar as it is based on the registered trade-marks MAIL POSTE & Design and POSTE MAIL & Design and it is unnecessary to consider the opponent's other registered marks relied on in the statement of opposition.

The fifth ground of opposition is based on the provisions of Sections 9(1)(d) and 12(1)(e) of the Act. The opponent contends that the applicant's trade-mark is likely to lead to the belief that the applicant's services have received or are produced, sold or performed under governmental patronage, approval or authority. The material time respecting this ground would appear to be the date of my decision. The onus is on the applicant to show its compliance with Section 9(1)(d) but there is an evidential burden on the opponent.

I find that the opponent has satisfied its evidential burden by establishing that it is a Crown corporation, that consumers often associate the ordinary word "mail" with the opponent and that consumers are aware that one of the opponent's functions is the provision of volume mail services and customized mailing services. Thus, the adoption of the words "match" and "mail" together as the trade-mark MATCHMAIL would likely lead to the belief

that the applicant's services are produced, sold or performed under governmental patronage,

approval or authority. Since the applicant failed to file evidence, the fifth ground is successful.

As for the final ground of opposition, the material time for considering the

circumstances respecting the issue of distinctiveness is as of the filing of the opposition. The

onus or legal burden is on the applicant to show that its applied for trade-mark actually

distinguishes or is adapted to distinguish its services from those of others throughout Canada.

There is, however, an evidential burden on the opponent to prove its supporting allegations

of fact.

Again, I find that the opponent has satisfied its evidential burden by establishing a

significant association in the public's mind between the ordinary word "mail" and the

opponent and that the public is aware that the opponent performs volume mail services and

customized mailing services. I have also considered that the opponent apparently enjoys a

wider ambit of protection for its marks in view of Mr. Justice Muldoon's interpretation of the

provisions of the Canada Post Corporation Act in the Canada Post Corp. decision discussed

above. There is also evidence of an acquired reputation for some of the opponent's marks

which include the word "mail" such as SUPERMAILBOX, MAIL POSTE & Design, POSTE

MAIL & Design, ADMAIL, LETTERMAIL, LASERMAIL and FAXMAIL. Since the

applicant has failed to file evidence, the seventh ground of opposition is successful. It is

therefore unnecessary to consider the opponent's sixth ground.

In view of the above, and pursuant to the authority delegated to me under Section 63(3)

of the Act, I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 13th DAY OF FEBRUARY, 1998.

David J. Martin,

Member,

Trade Marks Opposition Board.

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