IN THE MATTER OF AN OPPOSITION by C.I. Viewer's Choice Programming Service Inc. to application No. 663,299 for the trade-mark VIEWER'S CHOICE filed by Astral Bellevue Communications Inc. and subsequently assigned to Viewer's Choice Canada

On July 31, 1990, Astral Bellevue Communications Inc. filed an application to register the trade-mark VIEWER'S CHOICE for "pay per view / video-on-demand services" based on proposed use in Canada. The application was amended to include a disclaimer to the word CHOICE and was advertised for opposition purposes on July 10, 1991. The application was later assigned to the current applicant of record, Viewer's Choice Canada

The opponent, C.I. Viewer's Choice Programming Service, filed a statement of opposition on October 16, 1991, a copy of which was forwarded to the applicant on December 2, 1991. The first ground of opposition is that the applicant's application does not comply with the provisions of Section 30(e) of the Trade-marks Act because the applicant never intended to use the applied for mark. The second ground is that the applicant's application does not comply with Section 30(i) of the Act because the applicant's statement that it was satisfied that it was entitled to use the applied for mark in Canada is false in view of the opponent's use of its allegedly confusing trade-marks and trade-names.

The third ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(3) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the trade-marks VIEWER'S CHOICE and C.I. VIEWER'S CHOICE previously used or made known in Canada by the opponent or its predecessors in title in association with "services of providing television programming subscriptions to home and institutional users." The fourth ground is also one of prior entitlement based on prior use of the trade-names C.I. Viewer's Choice and C.I. Viewer's Choice Programming Service Inc. by the opponent or its predecessors in title. The fifth ground is that the applied for trade-mark is not distinctive because (1) it is confusing with the opponent's trade-marks and trade-names, (2) it has been used outside the provisions of Section 50 of the Act and (3) rights to the mark subsist in two or more persons as a result of a transfer.

The applicant filed and served a counter statement. As its evidence, the opponent filed the affidavits of Nancy L. Rush and David A. Deibert. Mr. Deibert was cross-examined on his affidavit and the transcript of that cross-examination and the subsequently filed replies to undertakings form part of the record of this proceeding. As its evidence, the applicant filed an affidavit of its Vice-President and General Manager, Stephen Tapp. Mr. Tapp was cross-examined on his affidavit and the transcript of that cross-examination and the subsequently filed replies to undertakings form part of the record of this proceeding. As evidence in reply, the opponent filed a second affidavit of David A. Deibert. Both parties filed a written argument and an oral hearing was conducted at which both parties were represented.

In his first affidavit, Mr. Deibert identifies himself as the Operations Manager of the opponent. Mr. Deibert states that the opponent has provided a television programming subscription service to home and institutional subscribers in association with the trade-mark VIEWER'S CHOICE since November of 1986. However, the opponent was not incorporated until January 4, 1988 and Mr. Deibert was not able to establish any predecessors to the opponent. Prior to 1988, Mr. Deibert states that he was personally carrying on business as Viewer's Choice but there was no assignment of trade-mark rights to the opponent upon or after its incorporation (see pages 12-13 of the Deibert transcript). Thus, the opponent is unable to rely on any use of the trade-mark or trade-name VIEWER'S CHOICE by others prior to its incorporation date.

The evidence establishes that the opponent is a very small enterprise employing two people (including Mr. Deibert) for about two hours total per week. The opponent has functioned essentially as an intermediary between satellite dish retailers and pay television providers. When a customer purchased a satellite dish and a decoder from a retailer, he might also request that he be given access to particular pay television services transmitted by satellite. The retailer would then forward the request to the opponent who in turn would forward it to another intermediary who in turn would pass the request on to the pay television service provider. The pay television service provider would then activate the decoder thereby allowing the original customer to access that provider's programming.

In general, the opponent has billed the satellite dish retailer for the service provided and not the customer who purchased the dish. From a review of the evidence, it would appear that, for the most part, those customers are unaware of the opponent's existence (see pages 30-32 of the Deibert transcript). As noted by the applicant's agent, the subscribers' list appended as Exhibit B to the Deibert affidavit reveals that, since the opponent came into existence in January of 1988, all or almost all of the opponent's customers have been satellite dish dealers. In fact, Mr. Deibert admitted that he was unable to determine how many home satellite users the opponent had dealt with because its dealings are mostly with satellite dish retailers (see page 16 of the Deibert transcript).

The opponent's operation has been minimal, at best. Annual revenues increased from about $22,000 in 1988 to $58,000 in 1989 but have fallen dramatically since 1990. The Deibert transcript reveals that prior to 1990, the opponent acted as an intermediary in connecting satellite dish owners (including some Canadians) to American pay television services including such services as HBO, Cinemax and Showtime. Apparently as a consequence of legislation in 1990, the opponent ceased acting on behalf of many of those American television service providers in Canada (see pages 73-74 of the Deibert transcript). To the extent the opponent continued to provide its service after that date, it appears that most of its customers were outside of Canada.

The Tapp affidavit establishes that the applicant is a partnership that has been licensed by the CRTC to operate a pay television network providing programming on a pay per view basis in Eastern Canada. The applicant commenced its service on September 5, 1991. The applicant obtains rights to programming such as movies and sporting events and transmits signals via satellite to cable television operators throughout Eastern Canada. Individual cable subscribers obtain a decoder from their cable company which allows them to access the pay per view programming provided by the applicant. The applicant has extensively advertised its trade-mark VIEWER'S CHOICE and has received revenues of millions of dollars for the period 1991-92.

The opponent's first ground of opposition is based on the provisions of Section 30(e) of the Act. The material time for assessing the applicant's compliance with Section 30(e) is the filing date of its application. As of that date, Section 30(e) read as follows:

> **30. An applicant for the registration of a trade-mark shall file with the Registrar an application containing.....**
>
> > **(e) in the case of a proposed trade-mark, where the application is not accompanied by an application for registration of a person as a registered user, a statement that the applicant intends to use the trade-mark in Canada....**

Subsequent to the filing of the present application, Section 30(e) was amended to refer to licensed use rather than an accompanying registered user application.

The onus or legal burden is on the applicant to show its compliance with Section 30(e): see the opposition decisions in Joseph Seagram & Sons v. Seagram Real Estate (1984), 3 C.P.R.(3d) 325 at 329-330 and Canadian National Railway Co. v. Schwauss (1991), 35 C.P.R.(3d) 90 at 94 and the decision in John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R.(3d) 293 (F.C.T.D.). There is, however, an evidential burden on the opponent respecting its allegations of fact in support of that ground. That burden is lighter respecting the issue of non-compliance with Section 30(e) of the Act: see page 95 of the Schwauss decision and the opposition decision in Green Spot Co. v. J.B. Food Industries (1986), 13 C.P.R.(3d) 206 at 210-211.

The present application formally complies with Section 30(e) of the Act since the required statement appears in the application. The issue then becomes whether or not the original applicant has substantially complied with Section 30(e) - i.e. - is the original applicant's statement that it intended to use the applied for trade-mark true? The opponent has led no evidence suggesting that the original applicant did not intend to use the applied for mark and thus the first ground is unsuccessful. There is, of course, the issue of whether or not an application based solely on the original applicant's intention to use the mark can be assigned to another party. However, this issue was neither pleaded nor pursued by the opponent.

As for the second ground, it does not raise a proper ground of opposition since the opponent did not allege that the original applicant was even aware of the opponent's trade-marks and trade-names. Even if it had, however, the success or failure of the second ground would have been contingent on a finding of confusion between the applied for mark and the marks and names of the opponent.

As for the third ground of opposition, there was an initial burden on the opponent to evidence prior use or making known of its two trade-marks prior to the applicant's filing date. As for prior making known of its two marks, the opponent has failed to evidence any activities which would qualify under Section 5 of the Act. Thus, that aspect of the third ground is unsuccessful.

As for its trade-mark C.I. VIEWER'S CHOICE, the opponent has failed to evidence prior use of that mark. The opponent has relied on Exhibit F to the first Deibert affidavit which comprises photocopies of some credit card receipts. However, those receipts illustrate the opponent's trade-name C.I. Viewer's Choice Programming Service Inc., not the trade-mark C.I. VIEWER'S CHOICE. In any event, there is no indication that those credit card transactions relate to the opponent's performance of the services relied on its statement of opposition. Since the purchaser's name on many of those receipts is an enterprise related to the opponent (i.e. - Dragon Pacific Marketing), it seems unlikely that they relate to the performance of the claimed service. Thus, the third ground is also unsuccessful insofar as it is based on prior use of the mark C.I. VIEWER'S CHOICE.

As for the final aspect of the third ground, the opponent has evidenced prior use of its trade-mark VIEWER'S CHOICE for the claimed services. In particular, Exhibit C to the first Deibert affidavit comprises photocopies of invoices covering the performance of the opponent's service. Each of those invoices is headed by the trade-mark VIEWER'S CHOICE and the opponent's address. The applicant contends that the use shown is trade-name use but I consider that it also qualifies as trade-mark use since the words VIEWER'S CHOICE are set out in larger, boldface type above the address.

The applicant contended that the opponent failed to satisfy its additional burden of showing that it had not abandoned its trade-mark as of the applicant's advertisement date. I disagree. Although the opponent's initial minor sales tailed off significantly after 1990, there is evidence that the opponent was still providing its service in Canada in association with its trade-mark VIEWER'S CHOICE as of July 10, 1991 (see Exhibit C to the first Deibert affidavit).

In view of the above, the third ground of opposition insofar as it is based on prior use of the trade-mark VIEWER'S CHOICE remains to be decided on the issue of confusion. The material time for considering the circumstances is as of the applicant's filing date in accordance with the wording of Section 16(3) of the Act. Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion. Finally, in applying the test for confusion in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those listed in Section 6(5) of the Act.

As for Section 6(5)(a) of the Act, the applicant's mark is highly suggestive if not descriptive of pay per view television services. Thus, the applicant's mark is inherently very weak. As of the applicant's filing date, the applicant's mark had not yet been used nor had the application to the CRTC been filed. Thus, the applicant's mark had not become known as of the material time.

The opponent's mark, too, is highly suggestive if not descriptive of its services. Thus, the opponent's mark is also inherently very weak. As of the material time, the opponent's mark had only been used to a very limited extent in Canada. There were only a handful of Canadian satellite dish retailers and home users who were even aware of the opponent's mark. Thus, that mark had not become known to any meaningful extent as of the material time.

The length of time the marks have been in use favors the opponent. The services and trades of the parties are different. The applicant operates a full scale pay per view television service involving the acquisition of a license from the CRTC, the acquisition of programming rights, the acquisition of satellite transmission facilities, the transmission of programming and

the contracting with cable operators as retail suppliers of the service. This involves a significant investment of money, widespread advertising and a large number of employees.

The opponent's service, on the other hand, is simply to act as a middleman in assisting owners of satellite dishes to obtain programming service from programming providers. For the most part, the opponent's activities are unknown to either the programming providers or the dish owners since there are other intermediaries in the chain of service. The opponent sought to characterize its service as being related to programming and thus similar to the applicant's service. For example, in paragraph 10 of his second affidavit, Mr. Deibert states that the opponent

> **....is in the business of delivering the programming through satellite transmission to satellite dishes owned by the Opponent's customers.**

This is, at best, an over glorification of the opponent's service and, at worst, a mischaracterization. The opponent does not deliver programming. Nor does the opponent arrange for, create, buy or transmit programming. The only connection the opponent has to programming is that its subscription service allows dish owners to access programming provided by others.

There is no overlap in the trades of the parties. The opponent deals, for the most part, with satellite dish retailers. The applicant, on the other hand, deals with cable operators and cable subscribers. The opponent stressed that some consumers might have both cable television service and a satellite dish. If so, I suspect that the numbers are extremely small and that any such individuals would differentiate the services provided to them by the opponent and the applicant.

The opponent also stressed the applicant's intention to eventually perform its service through direct to home (DTH) satellite transmission. However, there is no evidence that such a service is yet possible. Furthermore, even if it were, I consider the services and trades of the parties to be distinct.

As for Section 6(5)(e) of the Act, the marks at issue are identical in all respects.

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 inherent weakness of the marks at issue, the absence of any reputation of note for the opponent's mark and the differences in the services and trades of the parties, I find that the applicant has satisfied the onus on it to show that its mark is not confusing with the opponent's previously used mark. Thus, the last aspect of the third ground is also unsuccessful.

As for the fourth ground of opposition, as previously noted, the opponent has not evidenced prior use of its trade-name C.I. Viewer's Choice or its trade-name C.I. Viewer's Choice Programming Service Inc. Thus, the fourth ground is also unsuccessful.

As for the ground of opposition based on non-distinctiveness, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its services from those of others throughout Canada: see Muffin Houses Incorporated v. The Muffin House Bakery Ltd. (1985), 4 C.P.R.(3d) 272 (T.M.O.B.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the opposition (i.e. - October 16, 1991): see 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.). Finally, there is an evidential burden on the opponent to prove the allegations of fact supporting its ground of non-distinctiveness.

As for the first aspect of the final ground, the applicant's case respecting confusion is even stronger as of the filing of the opposition since its mark had become known as of that date and whatever reputation the opponent's mark had acquired had faded even further into obscurity. As for the second aspect of the final ground, there is no evidence that the applicant's mark has been used outside the provisions of Section 50 of the Act. As for the third aspect, again, there is no evidence that rights in the trade-mark VIEWER'S CHOICE reside in two or more persons as a consequence of the transfer of the mark to the applicant currently of record. In fact, it would appear that use of the mark did not even commence until after the

present application was assigned to the current applicant. Thus, the opponent has failed to support the allegations in support of its fifth ground and it is therefore also unsuccessful.

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I reject the opponent's opposition.

DATED AT HULL, QUEBEC, THIS 5th DAY OF DECEMBER, 1996.

David J. Martin,
Member,
Trade Marks Opposition Board.