



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

**Citation: 2011 TMOB 208**  
**Date of Decision: 2011-10-31**

**IN THE MATTER OF OPPOSITIONS  
by Habib Bank Limited to application  
Nos. 1,220,990 and 1,220,988 for the  
trade-marks HABIB CANADIAN BANK  
and HABIB CANADIAN BANK &  
Design in the name of Habib Bank AG  
Zurich**

[1] On June 18, 2004, Habib Bank AG Zurich (the Applicant) filed applications to register the trade-marks HABIB CANADIAN BANK (the Mark) and HABIB CANADIAN BANK & Design (the Design Mark), serial numbers 1,220,990 and 1,220,988 respectively. Both applications are based upon use of the subject trade-mark in Canada in association with banking services since at least as early as March 22, 2001. The right to the exclusive use of the words CANADIAN BANK has been disclaimed in both applications.

[2] The Design Mark appears below:



[3] Both applications were advertised for opposition purposes in the *Trade-marks Journal* of October 12, 2005.

[4] On March 10, 2006, Habib Bank Limited (the Opponent) filed a statement of opposition against each of the applications. The Applicant filed and served counter statements in which it denied the Opponent's allegations.

[5] In support of each opposition, the Opponent filed an affidavit of Nauman Kramat Dar, sworn March 27, 2007. In support of each application, the Applicant filed two affidavits of Muslim Hassan, sworn October 3 and November 5, 2008. Both affiants were cross-examined on their affidavits and transcripts of the cross-examinations have been filed, together with answers to undertakings, under advisements and refusals.

[6] Both parties filed written arguments and participated in an oral hearing for both oppositions. At the oral hearing, the Opponent withdrew the ground of opposition in each case that was based on s. 30(b) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act).

#### History of the Parties

[7] As a preliminary matter, I will explain the intertwined history of the parties, as set out in the parties' evidence.

[8] This is a somewhat unusual case in that the parties were originally related. A family with the surname Habib has been active in commerce and banking abroad since 1841. In August 1941, Mohammedali Habib incorporated the Opponent in Bombay, India. Prior to the partition of India and Pakistan in 1947, the Opponent had 34 branches in India. At the time of partition, the headquarters of the Opponent were moved from Bombay, India to Karachi, Pakistan.

[9] From 1947 to December 31, 1973, the Habib family expanded the Opponent in Pakistan and internationally, including Kenya, the United Kingdom, Mauritius, Lebanon, Bahrain, Dubai, Oman, Sri Lanka/Ceylon, the U.S., and Singapore. As part of the expansion, in July 1967 an application was made to the State Bank of Pakistan to establish a branch in Switzerland. Swiss banking laws at that time required that such a business be established with local capital, and so

the Applicant was established. In May 1973, the Applicant expanded beyond Switzerland, opening branches in the United Kingdom, the United Arab Emirates and Oman.

[10] On January 1, 1974, the Pakistan Government announced the nationalization of all banks in Pakistan, which included the Opponent. According to Mr. Hassan, the nationalization was without compensation and resulted in the removal of all existing chief executives and directors, with the result that the Habib family no longer had any say in the operations of the Opponent. However, the Applicant, being a Swiss bank, was not subject to nationalization and the Habib family retained control over the Applicant.

[11] In the 1970s and 1980s, the Opponent established further branches in Belgium, France, the Netherlands, Turkey, Bangladesh, Australia, Maldives and Seychelles; it also established a representative office in Iran.

[12] Mr. Hassan attests that “the parties were engaged in numerous lawsuits in the 1980s concerning the use of the name Habib” as a result of the Applicant’s expansion into many of the jurisdictions where the Opponent also operated. These lawsuits were settled in 1986 by means of a global settlement agreement. The provisions of that agreement include the following:

- 6.1 It is hereby expressly agreed that [Habib Bank Limited] shall not in future object to the use of the word “Habib” in the name of Habib Bank AG Zurich and also it shall not, in future, object if Habib Bank AG Zurich uses its name in that form at any place in the world.
- 6.2 It is hereby further expressly agreed that [Habib Bank AG Zurich] shall be entitled to use the word “Habib” in the name of any of its subsidiaries, associates or affiliates, i.e. any company in which [Habib Bank AG Zurich] or any member of the Habib family is a shareholder directly or indirectly, but in doing so the words “HABIB BANK” shall not be used together, but the words “Habib” and “Bank” may be used with some other word or words interposed between them, except in the case of Habib Bank Zurich International Ltd., which has already been registered in Cayman Islands prior to the date of this Agreement.

Provided that the word “Pakistan” shall at no time be used in the name of [Habib Bank AG Zurich] or any of its subsidiaries, associates or affiliates as aforesaid.

[13] The aforesaid agreement was silent as to what either party might register as a trade-mark.

[14] In 2003/2004, the Opponent was privatized and it subsequently continued to expand, spreading to Afghanistan and the People's Republic of China. In 2007, the Opponent also had three wholly-owned subsidiaries providing financial services in Hong Kong, Australia and Pakistan which Mr. Dar states use the name HABIB as part of their trade-name, under license from the Opponent. The Opponent also has a subsidiary in the United Kingdom, namely Habib Allied International Bank Plc, and has invested in a bank in Nigeria that uses HABIB as part of its trade-name.

[15] In 2007, according to the Applicant's Annual Report, the Applicant had branches in Switzerland, the United Kingdom, the United Arab Emirates, and Kenya, with representative offices in Bangladesh, Egypt, Hong Kong and Pakistan, and subsidiaries in Pakistan (Habib Metropolitan Bank), Isle of Man (Habib European Bank), South Africa (HBZ Bank) and Canada (Habib Canadian Bank).

[16] In summary, the Applicant and the Opponent have co-existed in the world since 1974 as unrelated entities, performing banking services in association with the word HABIB not only in the same parts of the world, but sometimes in the same countries.

### Onus

[17] 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].

### Application No. 1,220,990

[18] I will first address the opposition with respect to application No. 1,220,990.

### *Section 16(1) Grounds of Opposition*

[19] I will begin by addressing the Applicant's pleading that states that the Applicant is not the person entitled to registration of the Mark having regard to s. 16(1)(a) and (c) of the Act

because, at the Applicant's date of first use of the Mark, the Mark was confusing with the Opponent's family of HABIB trade-marks and trade-names (such as HABIB BANK, HABIB BANK LIMITED and HABIB BANK U.K.), which the Opponent has previously made known in Canada in association with banking services.

[20] Section 16(1) reads as follows:

16. (1) Any applicant who has filed an application in accordance with section 30 for registration of a trade-mark that is registrable and that he or his predecessor in title has used in Canada or made known in Canada in association with wares or services is entitled, subject to section 38, to secure its registration in respect of those wares or services, unless at the date on which he or his predecessor in title first so used it or made it known it was confusing with

(a) a trade-mark that had been previously used in Canada or made known in Canada by any other person;

(b) a trade-mark in respect of which an application for registration had been previously filed in Canada by any other person; or

(c) a trade-name that had been previously used in Canada by any other person.

[21] My first comment is that the Opponent has not properly pleaded a s. 16(1)(c) ground of opposition. Section 16(1)(c) refers to a trade-name that had been previously used in Canada, not one that had been previously made known. I am therefore dismissing the s. 16(1)(c) ground.

[22] Turning to the s. 16(1)(a) ground, I note that such a ground can only be based on a trade-mark owned by the Opponent, not on a trade-name. The material date for assessing the likelihood of confusion under this ground is March 22, 2001. In order to meet its evidential burden the Opponent must show that it had made one or more of its marks known in Canada prior to March 22, 2001 and had not abandoned such mark as of October 12, 2005 [see s. 16(5)]. Section 5 of the Act explains what is required in order for a mark to have been "made known":

5. A trade-mark is deemed to be made known in Canada by a person only if it is used by that person in a country of the Union, other than Canada, in association with wares or services, and

(a) the wares are distributed in association with it in Canada, or

(b) the wares or services are advertised in association with it in

(i) any printed publication circulated in Canada in the ordinary course of commerce among potential dealers in or users of the wares or services, or

(ii) radio broadcasts ordinarily received in Canada by potential dealers in or users of the wares or services,  
and it has become well known in Canada by reason of the distribution or advertising.

[23] Therefore, the Opponent will have met its evidential burden if it has evidenced that, prior to March 22, 2001:

1. one of its marks was used in another country of the Union;
2. its banking services were advertised in association with such mark in Canada in either of the two manners set out in s. 5; and
3. such mark had become well known in Canada by reason of such advertising (which requires that a substantial area of Canada must know the mark [see *Marineland Inc. v. Marine Wonderland and Animal Park Ltd.* (1974), 16 C.P.R. (2d) 97 (F.C.T.D.)]).

[24] I turn now to the Opponent's evidence to assess whether it has met its evidential burden.

[25] The Opponent's evidence comes from Mr. Dar, the Chief Executive of Habib Allied International Bank Plc, which is a subsidiary of the Opponent. Mr. Dar is also Group Executive of the International Banking Group of the Opponent.

[26] Mr. Dar has not provided any evidence of radio broadcasts in Canada. His evidence concerning advertisements in printed publications that circulated in Canada prior to March 22, 2001 is extremely limited. It consists of a statement that the opening of a representative office in Mississauga, Ontario in 1990 was "widely advertised by [the Opponent] in many newspapers including the Canadian edition of the Pakistani newspaper the DAILY DAWN on July 22, 1990", with a copy of that advertisement attached as Exhibit "H". Exhibit "H" comprises a photocopy of a one page announcement that reads in part, "Habib Bank embarks on its expansion programme ... Representative offices have started operations in Bangkok, Berlin, Toronto. Habib Bank Limited Head Office: Habib Bank Plaza, Karachi" At the bottom of the page, the following appears: PAKISTAN HERALD PUBLICATIONS (Pvt) LTD. DR. ZIAUDDIN AHMED ROAD, KARACHI PAKISTAN Editors: AHMAD ALI KHAN. Someone has handwritten at the top: Dawn/Business Recorder/Pakistan Time/Muslim 22/7/1990 Toronto.

[27] The Opponent has not satisfied its evidential burden. There is only evidence of a single advertisement that might qualify under s. 5 and it is questionable if that advertisement shows use of one of the Opponent's trade-marks, rather than one of its trade-names. Even if the advertisement displayed one of the Opponent's marks, one advertisement in a single printed publication without any evidence of its circulation cannot support a conclusion that the advertisement resulted in the advertised mark being well known in Canada in accordance with the terms of s. 5.

[28] The s. 16(1)(a) ground is therefore dismissed on the basis that the Opponent has not met its initial evidential burden.

#### *Distinctiveness Ground of Opposition*

[29] The Opponent's distinctiveness ground of opposition reads:

The [Mark] is not distinctive, within the meaning of section 2 of the Act, by reason of the fact that the [Mark] does not actually distinguish nor is it adapted to distinguish the Applicant's banking services from the services of others, namely the banking services which the Opponent has, by itself or through its licensees, provided to the public in various countries in association with a family of HABIB trade-marks and trade names since the 1940s. For example, the Opponent has, by itself or through its licensees, provided banking services in countries such as Pakistan, United Arab Emirates, Oman, Bahrain, Bangladesh, Sri Lanka, Singapore, France, Holland, Belgium, Kenya, Lebanon, Sudan, United States, United Kingdom, Fiji Islands, Australia, Hong Kong, China and Iran, all in association with a family of HABIB trade-marks and trade names such as HABIB BANK, HABIB BANK LIMITED, HABIB BANK U.K., and other related marks (collectively, the "Opponent's Trade-marks/Trade names")

[30] The legal onus is on the Applicant to show that its mark is adapted to distinguish or actually distinguishes its services from the services 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.)]. However, there is an evidential burden on the Opponent to prove the allegations of fact supporting its ground of non-distinctiveness. The Opponent need not show that one or more of its trade-marks/trade-names is well known in Canada in order to meet this evidential burden [see *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 (F.C.T.D.)]. According to *Bojangles' International LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.), an opponent's mark must be known to some extent at least to negate the established distinctiveness of another

mark, and its reputation in Canada should be substantial, significant or sufficient. The test is explained in greater detail in paragraph 33 of *Bojangles* ', which is reproduced below:

[33] The following propositions summarize the relevant jurisprudence on distinctiveness where there is an allegation that a mark's reputation negates another mark's distinctiveness, as per s. 2 and para. 38(2)(d) of the Act :

- The evidential burden lies on the party claiming that the reputation of its mark prevents the other party's mark from being distinctive;
- However, a burden remains on the applicant for the registration of the trade-mark to prove that its mark is distinctive;
- A mark should be known in Canada to some extent at least to negate another mark's distinctiveness;
- Alternatively, a mark could negate another mark's distinctiveness if it is well known in a specific area of Canada;
- A foreign trade-mark owner cannot simply assert that its trade-mark is known in Canada, rather, it should present clear evidence to that effect;
- The reputation of the mark can be proven by any means, and is not restricted to the specific means listed in section 5 of the Act, and it is for the decision-maker to weigh the evidence on a case-by-case basis.

In both the *Motel 6* and *Andres Wines* cases, the Courts noted that the evidence satisfied more than the jurisprudential requirement that the mark be known "to some extent at least" in Canada, and further mentioned that the mark was "well known" (*Andres Wines*). However, in order for an opposition to succeed, such a threshold need not be reached. The expression "well known" should be avoided in describing the legal test, as the courts expressly stated in *Motel 6* and *Andres Wines*. On the other hand, the expressions "substantial", "significant" (*Bousquet v. Barmish Inc.*, above, pp. 528 and 529) and "sufficiently [known] to negate the distinctiveness of the mark under attack" (*Motel 6* , at para. 41) were never said to be wrong. In my view, these expressions give a clearer meaning to the expression "to some extent at least" and it should be adopted as a complement to the legal standard set down by the Federal Court in *Motel 6* ("to some extent at least"). Like Justice Cullen, I believe this to be a "salutary principle" (See *Bousquet v. Barmish Inc.*, above, at p. 528).

[31] The material date with respect to distinctiveness is the date of filing of the opposition, March 10, 2006 [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)]. I will therefore review the Opponent's evidence concerning the reputation of its marks/names in Canada as of March 10, 2006 in order to assess whether it has met its initial burden.

[32] Mr. Dar provides the following information concerning the Opponent's activities in Canada prior to March 10, 2006:



- Between July 1990 and June 1991, the Opponent operated a representative office in Mississauga, Ontario. There is no evidence how any of the Opponent's marks/names were used in association with this office, other than a single advertisement which was provided as Exhibit "H". As discussed above, there is no evidence of the extent of circulation of that advertisement in Canada.
- Mr. Dar has attested that the Opponent is involved in numerous transactions which involve Canadians because the Opponent has a correspondent relationship with various banks that facilitates the transfer of funds between an entity abroad and an entity in Canada, through the Opponent. The transactions may involve a customer instructing that funds be transferred between a third party bank account in Canada and an account in one of the Opponent's branches in Pakistan; Exhibits "I" through "M" evidence five such transfer transactions in 2004. These exhibits, which are copies of print-outs from the Opponent's computer system, do not display any trade-mark but they do display the Opponent's trade-name Habib Bank Ltd. or Habib Bank Limited. The Opponent derives a fee from such transactions.

[33] Based on the foregoing, I am not prepared to accept that the Opponent has met its initial burden to show that any of its marks/names had a reputation in Canada as of March 10, 2006 that was sufficient to affect the distinctiveness of the Mark. The evidence concerning the representative office is both *de minimus* and too remote in time. The evidence concerning the banking transactions in 2004 are also *de minimus* and predate the material date by at least a year and a half.

[34] The distinctiveness ground of opposition is therefore dismissed on the basis that the Opponent has not met its initial evidential burden.

[35] It is noted that the distinctiveness ground of opposition did not specifically plead that the Opponent's marks/names have a reputation in Canada. Instead the Opponent pleaded that its HABIB banking services have been provided in various foreign countries and argued that members of the South Asian community in Canada would be familiar with the Opponent's marks/names as used abroad. The Opponent has not submitted that its marks/names are famous. Instead it has submitted that just as an opponent's mark need not have a reputation in each

geographic section of Canada in order to meet an opponent's onus with respect to a distinctiveness ground of opposition, its marks/names need not have a reputation in each ethnic/cultural community in Canada. The Applicant submits that this is not a novel approach to the law but simply is wrong at law. I do not however need to make a ruling on that point as it is my view that the Opponent has not established through evidence that its marks/names have a sufficient reputation among a significant section of the Canadian population. There is no evidence as to the size of the South Asian community in Canada and no evidence from any members of that community concerning their familiarity with the Opponent's foreign use of the Opponent's marks/names. As stated in paragraph 33 of *Bojangles'*, "A foreign trade-mark owner cannot simply assert that its trade-mark is known in Canada, rather, it should present clear evidence to that effect."

[36] It is noted that in *Bojangles'*, the opponent presented considerable evidence to show that many Canadians were familiar with its operations abroad (in that case in the U.S.) but the Federal Court of Appeal nevertheless found that the opponent's evidence did not meet the initial onus re distinctiveness.

[37] One of the leading cases where an opponent who did not carry on business in Canada succeeded under a distinctiveness ground of opposition is the *Motel 6* case. However, in *Bojangles'*, Mr. Justice Noël commented on the *Motel 6* case as follows, at paragraph 32:

...In that case, the evidence was so persuasive that Justice Addy concluded that the plaintiff's motel had acquired substantial reputation and goodwill in British Columbia. Justice Addy also found, on a balance of probabilities, that the mark was used by the Canadian party precisely because of the reputation of the American mark in Canada (see *Motel 6, supra*, at para. 104). This finding appeared to be determinative in Justice Addy's conclusion.

[38] I note that the finding that was determinative in *Motel 6* cannot be made here.

[39] Before proceeding, I wish to mention that the Opponent has submitted that there is evidence of confusion between the parties' services in Canada; this submission is based on a newspaper article introduced as Exhibit "G" to the Hassan affidavit. The June 2, 2002 article from *The Toronto Star* refers to the Applicant's Habib Canadian Bank branch in Canada and quotes a businessman as saying, "My father banked with them in India." I consider this

unconfirmed anecdotal statement in a newspaper article to be far from reliable evidence of confusion. Moreover, I note that the individual, who apparently came to Canada in 1969, is also reported as having “turned to a name familiar from his younger days in India and Pakistan”; as noted earlier, the Opponent and the Applicant were related companies prior to 1974.

[40] In addition, I will mention that the Opponent has submitted in its written and oral argument that the Applicant’s Mark is not distinctive because the Mark is used in Canada by the Applicant’s licensee and the Opponent submits that such party’s use has not been shown to accrue to the benefit of the Applicant under s. 50. However, as I advised the Opponent at the oral hearing, I will not entertain such an argument because the pleadings did not raise that issue.

#### Application No. 1,220,988

[41] The statement of opposition filed against application No. 1,220,988 pleads the same grounds of opposition pursuant to s. 16 and 2 as those pled against application No. 1,220,990. The evidence and analysis regarding the s. 16 and 2 grounds of opposition with respect to the Design Mark’s application are virtually the same as those with respect to the Mark’s application. As a result, the s. 16 and 2 grounds pleaded with respect to application No. 1,220,998 are also dismissed.

[42] One additional ground was pleaded with respect to application No. 1,220,988, namely that, contrary to s. 30(i), the Applicant could not have been satisfied that it is entitled to use the Design Mark in Canada since, by doing so, the Applicant would be infringing the Opponent’s copyright in the Opponent’s HABIB BANK LIMITED Logo. However, there is no evidence that the Opponent owns copyright in such logo and the Opponent has not made out a *prima facie* case of copyright infringement [see *E. Remy Martin & Co. S.A. v. Magnet Trading Corp. (HK) Ltd.* (1988), 23 C.P.R. (3d) 242 (T.M.O.B.)]. As the Opponent has not met its initial burden, the s. 30(i) ground is dismissed.

#### Disposition

[43] Pursuant to the authority delegated to me under s. 63(3) of the Act, I reject both oppositions pursuant to s. 38(8) of the Act.

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