



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

Citation: 2013 TMOB 146
Date of Decision: 2013-09-03

**IN THE MATTER OF AN OPPOSITION by
Lockheed Martin Corp. to application
No. 1,265,692 for the trade-mark PAVEWAY
in the name of Raytheon Company**

FILE RECORD

[1] On July 21, 2005, Raytheon Company filed an application to register the mark PAVEWAY, based on use of the mark in Canada since 1980, in association with “laser-guided bombs and components therefor.”

[2] The applicant initially claimed a priority filing date of July 15, 2005, based on its earlier filing of a corresponding application in the United States: see s.34 of the *Trade-marks Act*, R.S.C. 1985, c. T-13. However, during the course of the opposition proceeding, the applicant amended the application to (i) delete its claim to a priority filing date, and (ii) include a reference to its predecessor-in-title namely, Texas Instruments, as a former user of the mark: see the Board ruling dated April 2, 2012 permitting the changes.

[3] The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated June 7, 2006 and was opposed by Lockheed Martin Corp. on October 11, 2006. The Registrar forwarded a copy of the statement of opposition to the applicant on November 2, 2006 as required by s.38(5) of the *Trade-marks Act*. The

applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition.

[4] The opponent's evidence consists of the affidavits of Joseph Michael Serra and Jeffery James Coghlan. The applicant's evidence consists of the affidavit of Barry Maxwell. The opponent then filed the affidavits of Kritchawat Chainapasak; Christiane Campbell (2 affidavits); a further affidavit of Joseph Michael Serra; and the affidavit of Marissa Hood "as reply evidence and seeks leave to file the same affidavits as additional evidence pursuant to Rule 44": see the opponent's letter dated July 19, 2010.

[5] There is no ruling of record showing that the Board exercised discretion in admitting the opponent's second filing of evidence as additional evidence. I therefore conclude that the opponent's second filing of evidence was admitted as reply evidence. In any event, it is unlikely that the opponent's submissions in its letter of July 19 would have been satisfactory for the Board to admit the second filing as additional evidence under Section 44 of the *Trade-marks Regulations*: in this regard, see Section VII of the *Practice in Trade-mark Opposition Proceedings* (in effect as of March 31, 2009). Of course, as a procedural matter, a party is expected to specify the type of evidence it is submitting, as different considerations apply to admitting different types of evidence into the record. The applicant has not raised any objections that the opponent's second filing was not proper reply evidence.

[6] The applicant subsequently requested and was granted leave to file additional evidence namely, the affidavits of Michelle Miller and Susan Burkhardt: see the Board ruling dated October 26, 2011. Similarly, the opponent requested and was granted leave to file additional evidence namely, the affidavits of Susan Okin Goldsmith; D. Jill Roberts; and Hyunmi Kim: see the Board ruling dated October 26, 2011. Both parties filed a written argument and both parties were represented by counsel at an oral hearing held on May 14, 2013.

STATEMENT OF OPPOSITION

Pleadings - Opponent's Theory of the Case

[7] The first part of the statement of opposition, summarized in paragraphs 8 – 11 below, essentially sets out the opponent's theory of the case.

[8] The statement of opposition pleads that "paveway" is the name given to a series of American laser guidance kits which convert unguided bombs into guided bombs. The bombs outfitted with the kits are referred to as "paveway" bombs. The opponent Lockheed and the applicant Raytheon have sold such weapons to the U.S. Armed Forces and armed forces in other countries including Canada.

[9] Only the opponent Lockheed manufactures the "paveway II" laser guided training rounds, however, both parties manufacture the "paveway II" system. The system consists of a computer control group ("CCG") placed at the head of a bomb and an air foil group ("AFG") placed at the tail of a bomb. The kit parts, that is, the CCG and the AFG, are interchangeable so that a CCG from one manufacturer may be attached to a bomb with an AFG from another manufacturer. Both Lockheed and Raytheon supply "paveway" CCG and AFG units to the U.S. military but only Lockheed has sold training rounds (that is, bombs that do not explode on impact) to the U.S. military.

[10] With regard to the paveway II kits, the opponent Lockheed has sold both CCG and AFG units to Canada through the Foreign Military Sales Program, that is, sales from government to government.

[11] The term "paveway" is understood to mean a "laser-guided bomb kit" that uses lasers to guide bombs to a target.

Grounds of Opposition

[12] The grounds of opposition, and the relevant sections of the *Trade-marks Act* on which they are based, are summarized below in the order in which they are set out in the statement of opposition.

Section 30(b)

1. The applicant has not used the term PAVEWAY as a trade-mark in Canada since the date of first use claimed, that is, since 1980.

Section 30(d)

2. The applicant has not used the term PAVEWAY as a trade-mark in the United States as claimed in the application.

Section 12(1)(c)

3. The term PAVEWAY is the name of the wares covered in the subject application, namely laser-guided bomb kits.

Sections 10 and 12(1)(e)

4. The term “paveway” has by ordinary and bona fide commercial usage become recognized in Canada as designating the kind and quality of the wares covered in the application, that is, the word “paveway” is a generic term for laser-guided bomb kits.

Sections 2 and 38(2)(d)

5 & 6. The term PAVEWAY cannot distinguish the wares of the applicant from the wares of the opponent since the word “paveway” is a generic term for laser-guided bomb kits. The term paveway therefore cannot distinguish the applicant’s wares from the same wares manufactured by the opponent, which wares the opponent has sold in Canada under the name paveway.

[13] The grounds of opposition alleged by the opponent will be considered sequentially after a review of the parties’ evidence. However, at this time it may be useful to summarize the applicant’s theory of the case, found in paragraphs 2- 5 of the applicant’s written argument, for comparison with the opponent’s theory.

APPLICANT'S THEORY OF THE CASE

[14] The applicant Raytheon has used the mark PAVEWAY in association with laser-guided bomb (LGB) kits in Canada since 1980. The applicant has sold over fifteen hundred PAVEWAY laser-guided bombs kits in Canada, and has sold such bombs kits in over forty countries. Various companies make LGB products that compete with the applicant's PAVEWAY kit. Those third party products have their own proprietary names such as SPICE, KAB, LIZARD and GRIFFIN. The opponent does not have a proprietary name for its LGB product but has used the "paveway" designation in the U.S. from time to time since 2004 without authorization from the applicant. The opponent's attempts to co-opt the applicant's mark PAVEWAY do not give credence to the opponent's claims that the mark is generic and not distinctive of the applicant. Further, in the United States, purchasers of LGB products are limited to sourcing LGBs from either the applicant or the opponent, however, LGB purchasers in Canada are not so limited.

OPPONENT'S EVIDENCE

Joseph Michael Serra

[15] Mr. Serra is an employee of the opponent Lockheed. His duties include sales development for "paveway variant laser-guided bomb kits and for paveway laser-guided training rounds." He also states that he is "aware of the perception of Canadian officials [presumably purchasers] in relation to paveway products." Mr. Serra explains that the paveway kit is a weapons system comprised of both the CCG and AFG which are affixed by soldiers in the field to create a "smart bomb" from an otherwise "dumb bomb." The CCG and AFG work together to provide guidance and flight control. All paveway II laser guided bombs must meet the performance specifications of the U.S. government. The U.S. government's designation for the opponent's CCG bears the code MAU-209B while the applicant's CCG bears the designation code MAU-169. The parties' AFG codes are similar but differentiated by an alphabetic code. Another key designation for the products is the guided bomb unit (GBU) number which designates the weight of the bomb to which a paveway II kit is to be attached.

[16] The opponent is the only company that makes paveway laser-guided training rounds, that is, projectiles that have the same flight characteristics as the paveway II laser-guided bomb but which will not explode upon impact with a target. The product has been sold to the Canadian military by the opponent.

[17] Paveway kits are the most used laser-guided bomb kits in the world. The term “paveway” is synonymous for a laser guided bomb kit and as such the term “paveway” would not be recognized by the armed forces of any nation as referring to goods from any particular company. The term “paveway” describes technology that uses lasers to guide a bomb to a target.

[18] Mr. Serra supports his position that “paveway” is a generic term by referring to promotional material (attached as Exhibit 1 to his affidavit), prepared by the applicant’s predecessor-in-title Texas Instruments, which states that “Paveway has become synonymous with laser guided bombs.” The relevant extract from Exhibit 1 is shown below:

PAVEWAY

"One Bomb-One Target"

Paveway has become synonymous with laser-guided bombs (LGB). Texas Instruments introduced the LGB concept and the U.S. Air Force began an extensive development program, code name Paveway, in 1965. This initial effort has developed into the Paveway LGB family. The first generation was flown in combat with outstanding results; the second generation, with a folding wing and improved ballistics, has been flight-tested and proven to be extremely accurate. Paveway II has been in high-volume production for several years and is the principal weapon of its category in the USAF inventory.

[19] In my view, the phrase “synonymous with laser-guided bombs” relied on by the opponent is mere touting by the opponent’s predecessor. Exhibit 1 considered as a whole is consistent with the applicant’s position that the term PAVEWAY was being used as a proprietary mark.

[20] Mr. Serra refers to an affidavit dated November 1, 2005, of Curtis Cumming, “the contracting Office for the paveway II program for the United States Air Force.” Mr. Cumming’s affidavit was filed by the opponent in an opposition proceeding in the United

States and it is in evidence in this proceeding as Exhibit 2 of Mr. Serra's affidavit. Ordinarily such exhibit evidence would be inadmissible hearsay for the truth of its contents. However, Mr. Serra states that Mr. Cummings testimony corresponds to his own knowledge and I therefore take it that Mr. Serra is adopting Mr. Cummings testimony as his own. Mr. Cummings testimony, in part, is shown below:

14. In contracts and correspondence with Raytheon and Lockheed Martin for the supply of laser guided bomb kits, the Air Force uses Paveway with each source, to designate the product.

15. Based on my experience, the term "Paveway II" is used within the Air Force simply as another way to say "laser guided bomb kit." It does not indicate a particular source of the goods to us as the purchaser.

16. "Paveway" itself is also understood by me and those involved with it to mean the technology that primarily uses lasers to guide a bomb to a target.

17. If I were to receive a request to purchase "Paveway", I would understand it to apply to the technology and a request to purchase Paveway II would indicate a laser guided bomb kit. Neither term would be sufficient to purchase anything at all.

[21] I agree with the opponent that the above evidence, which has not been challenged by the applicant, indicates that by 2005 the United States Air Force was using the term "Paveway" in a generic sense.

[22] Mr. Serra admits that the paveway system was developed by the applicant's predecessor-in-title and that until 2002 the applicant was "the only authorized [presumably by the United States government] producer of the paveway kits." However, in the 1990s, the opponent developed paveway training rounds which "have been extensively sold to the Armed Forces of numerous countries including Canada since that time."

[23] In my view Mr. Serra's evidence is conclusive that the U.S. military had an objective to secure a second source for a weapons system (to turn dumb bombs into smart bombs) exclusively supplied by the applicant under the mark PAVEWAY. Mr. Serra's evidence supports the opponent's position that the United States military uses the term

“paveway” to describe a weapons system with certain specifications and capabilities without regard to the manufacturer.

Jeffery James Coghlan

[24] Mr. Coghlan identifies himself as a student-at-law with the firm representing the applicant. His affidavit introduces into evidence, by way of exhibit material, extracts from various specialty dictionaries and encyclopaedias establishing that the term “Paveway” is often used as the name for the technology that transforms a dumb bomb into a smart bomb, or used as the name of the newly configured smart bomb weapon itself.

APPLICANT’S EVIDENCE

Barry Maxwell

[25] Mr. Maxwell identifies himself as a senior executive with the applicant company. His testimony may be summarized as follows. The applicant has developed defence technologies for 80 years. For over thirty years the applicant, and its predecessor-in-title Texas Instruments, were the only sources for laser guided bombs marketed under the term PAVEWAY. Attached as Exhibit B to his affidavit is a schedule showing the countries where the mark has been applied for or registered. The applicant refers to its trade-mark on its website (illustrated in Exhibit C) and in promotional material produced in 2004 for a presentation to the Joint Munitions Worldwide Reveiw (Exhibit D). The applicant has referred to its mark in internal newsletters since 1982 (Exhibits E and F). More importantly, the applicant uses the mark PAVEWAY on all supporting documentation, such as the technical requirements specifications and operational flight programs, which are provided to customers. Cover pages to such documents are shown in Exhibit G, an example of which is reproduced below.



[26] The applicant's world-wide sales of LGB products under the mark PAVEWAY have amounted to over 290,000 PAVEWAY LGB kits equating to several billions of dollars. Sales have been to over 40 countries including the U.S., the U.K. and Canada. Over 1500 PAVEWAY LGB units have been sold in Canada.

[27] Exhibit J is comprised of extracts from the U.S. Air Force procurement budget estimates dated February 2006. It refers to a PAVEWAY II LGB product and specifies that the product is available from two contractors (the applicant and the opponent). It goes on to state that:

The item name has been changed from MAU-169H/B PAVEWAY II Guidance Control Unit to GBU-10/12 Computer Control Group, because the previous name designated only one of the contractor's products. Both products are identical in form, fit, and function.

[28] Mr. Maxwell testifies that the first item name designates the applicant's product, and that Exhibit J is therefore evidence that the mark PAVEWAY serves to identify products as originating from the applicant Raytheon.

[29] Mr. Maxwell testifies that the opponent began producing laser-guided training rounds (LGTR) in 1992. The LGTR is a low cost training device which permits aircrews to practice the employment of laser-guided bomb units. According to Mr. Maxwell, the LGTR is a different product than the laser-guided bomb. Exhibit K shows the opponent's promotional material, presumably circa 1992, discussing its LGTR product without reference to the term "paveway." The opponent only began to use the term "paveway" in association with its LGTR products in 2004, after the applicant had applied to register the mark PAVEWAY in the United States. Exhibit L is a copy of a solicitation notice from the U.S. Navy to the opponent for the purpose of entering into source negotiations for the LGTR. There are several references to the term LGTR in the notice but no references to the term "paveway."

[30] The applicant was the sole, exclusive provider of laser-guided bomb kits to the

U. S. government until 2002. The applicant sold and continues to sell its LGBs under the mark PAVEWAY. In 2002 the opponent completed the requirements for certification as an alternative source for LGBs and soon thereafter began to use the term “paveway” in connection with its LGBs and related wares. Exhibit M is a copy of advertising material from the opponent touting itself as “the new source for laser-guided bombs” and “flight tested/cleared on all aircraft currently qualified to carry Paveway II kits.” According to Mr. Maxwell, it was only later that the opponent “began to encroach on Raytheon’s trademark rights . . .”

[31] Paragraph 30 of Mr. Maxwell’s affidavit, which addresses the issue of whether the term “paveway” is a generic term for laser-guided bombs, is shown substantially in full below:

Generic terms for the product in question include "laser-guided bomb," "LGB" and "laser-guided bomb kit." As mentioned, the PAVEWAY Mark is Raytheon's trademark for the goods, a mark that has been extensively used by Raytheon dating back to the 1970s. Now shown to me and attached marked as Exhibit PAVEWAY[sic] P are details of other laser-guided bombs developed and manufactured by companies other than Raytheon and Lockheed Martin. One example is the GRIFFIN Laser Guided Bomb produced by Israel Aircraft Industries Ltd. Nowhere in this document is there any reference to PAVEWAY to describe the laser-guided bomb. I submit that if the term PAVEWAY was a generic term in the industry in connection with these goods then there would be reference to it in this literature. GRIFFIN acts as a trademark and a badge of origin for Israel Aircraft Industries Ltd. in the same way as the PAVEWAY Mark does for Raytheon. This is consistent with the other documents supplied as part of this Exhibit by MATRA and Elbit Systems Limited. Indeed, on the eighth page of the MATRA document it says “This gliding weapon equipped with a laser guidance system is generally known as a laser guided bomb, or L.G.B.” ; it makes no reference to “PAVEWAY”. Further, Elbit Systems Limited refers to its laser-guided bomb as the “LIZARD” as indicated in Exhibit P. The generic term for these products is laser-guided bombs or LGBs . . .

OPPONENT'S REPLY EVIDENCE

Joseph Michael Serra

[32] In response to the applicant's evidence regarding its applications in other countries, the opponent's evidence is that it has contested all of the applicant's trade-mark applications or registrations for "paveway" aside from Switzerland and New Zealand where there is no market for LGBs. The remainder of Mr. Serra's affidavit provides further examples of use of the term "paveway" intended to support the opponent's position that the applied-for mark PAVEWAY is a generic term, or at least non-distinctive of the applicant.

Kritchawat Chainapasak

[33] Mr. Chainapasak identifies himself as a lawyer located in Bangkok, Thailand. His affidavit introduces into evidence, by way of an exhibit, a copy of a decision of the Thai Trademark Board issued August 13, 2009, concerning Raytheon's trade-mark application for PAVEWAY which was opposed by Lockheed. One of the findings of the Thai Trademark Board was that "the trademark is generic or common to the trade and considered non-distinctive . . ."

[34] I note that in the above case the opponent had filed affidavits from individuals familiar with use of the term "paveway" in Thailand including evidence from members of the Royal Thai Air Force.

Marissa Hood

[35] Ms. Hood identifies herself as a law clerk with the firm representing the opponent. In July 2010 Ms. Hood attended at the main branch of Ottawa Public Library and confirmed that the following publications are available for viewing: *Jane's Defence Weekly*; *Flight International*; *Defense Daily*; *Defense Daily International*; *C41 News*; and *Military & Aerospace Electronics*.

Christiane Campbell (two affidavits)

[36] Ms. Campbell identifies herself as counsel for the opponent in the United States. Her affidavits serve to introduce into evidence copies of trade-mark opposition decisions, involving the mark PAVEWAY between the parties herein, in various countries. Each decision issued in 2010.

Kingdom of Bahrain

[37] The tribunal advised the parties that “PAVEWAY is considered generic and a commonly used term for laser-guided bombs.” No reasons are given for the tribunal decision and there is no indication of what evidence, if any, was filed in the proceeding.

Kingdom of Saudi Arabia

[38] The tribunal found in favour of the opponent Lockheed based, at least in part, on the evidence of The Royal Saudi Air Force Commander that “PAVEWAY is considered a description for all laser guided bombs” Saudi law bans the registration of marks “that are considered a description for the products. . . .”

Jordan

[39] In this decision the opponent filed affidavits of persons (apparently Americans) specialized in U.S. Air Force contracting. It appears that their evidence was very similar to the evidence provided by Mr. Cummings set out in paragraph 20, above. The tribunal found for the opponent, concluding that “the mark intended to be registered (**PAVEWAY**) is a generic word that describes a kind of laser guided bomb”

Morocco

[40] The tribunal found in favour of the opponent Lockheed based, at least in part, on the evidence of “a sworn expert in the filed[sic] of weapons” that the term PAVEWAY “does not indicate a particular source of products”

OPPONENT'S ADDITIONAL EVIDENCE

Susan Goldsmith

[41] Ms. Goldsmith identifies herself as counsel for the opponent in the United States. Her affidavit serves to introduce into evidence, by way of exhibit material, testimony and discovery depositions submitted in the corresponding opposition proceeding in the United States. Ms. Goldsmith testifies that the parties have agreed to avoid duplication of efforts and expense by submitting these materials in Canada. I therefore accept such evidence as admissible in this proceeding for the truth of their contents. The evidence is intended to support the opponent's position that, in the United States, the term PAVEWAY is not distinctive of the applicant's wares but is a generic term.

Jill Roberts

[42] Ms. Roberts identifies herself as an Assistant Bailiff who was retained by counsel for the opponent to conduct searches on the Internet for on-line articles. She performed her searches on August 22, 2011, attaching the articles as exhibits to her affidavit. The articles indicate that in the United States and India the term PAVEWAY is not distinctive of the applicant's wares but is a generic term.

Hyunmi Kim

[43] Ms. Kim identifies herself as a lawyer in the city of Seoul, South Korea. Her affidavit serves to introduce into evidence a copy of a decision, dated April 22, 2011, by the South Korean Intellectual Property Tribunal. The case concerns a legal proceeding by Lockheed to invalidate Raytheon's trade-mark registration for PAVEWAY. The tribunal invalidated the mark, referring to the testimony of a Mr. Hwang who testified that "the term 'PAVEWAY' is not recognized by the Korean Armed Forces to refer to any particular good, and is synonymous with 'laser-guided bomb.'" The Tribunal also found that:

. . . the subject mark "PAVEWAY" was the name for the laser-guided bomb developed by the respondent's predecessor-in-interest Texas Instruments in the 1970s. However, since 2000, the term has been used broadly by the U.S. military, the petitioner, and the respondent, as well as various media outlets, as a designation for laser-guided bombs. As for the designated goods of the subject mark,

Korean traders or users are people that handle weapons-related work in the military, are weapons brokers, etc. Since they are weapons experts, it is expected that they know most of the above content.

APPLICANT'S ADDITIONAL EVIDENCE

Michelle Miller

[44] Ms. Miller identifies herself as counsel for the applicant in the United States. Her affidavit serves to introduce into evidence, by way of exhibit material, testimony and discovery depositions submitted in the corresponding opposition proceeding in the United States. The parties have agreed to avoid duplication of efforts and expense by submitting these materials in Canada. I therefore accept such evidence as admissible in this proceeding for the truth of their contents. The evidence is intended to support the applicant's position that, in the United States, the term PAVEWAY is distinctive of the applicant's wares and is not a generic term.

Susan Burkhardt

[45] Ms. Burkhardt identifies herself as a law clerk with the firm representing the applicant. Her affidavit serves to introduce into evidence a copy of a decision by the Norwegian Patent Office, dated June 1, 2011, between the parties herein, concerning Raytheon's mark PAVEWAY. The Patent Office concluded that, in Norway, the mark is not descriptive and not lacking distinctiveness.

[46] I have included several portions of the decision, below, because the issues and evidence (or more correctly, gaps in evidence) considered in the Norwegian decision have much in common with the instant case:

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The Opponent's attorney claims that the word PAVEWAY is not distinctive enough, and that the word is descriptive for the goods in question in that it means laser guided bombs. The Owner's attorney claims that PAVEWAY is not generic, and that the owner has used the word as a trademark for many years.

A trademark's distinctiveness must also be considered in relation to the goods for which the trademark has been applied for . . . The mark must be considered in relation to how an average consumer normally would

perceive it in its entirety, without examining details or analysing various parts of the mark. The average consumer for "laser guided bomb sets" in class 13 will be professionals. It must be presumed that such average consumers are therefore reasonably educated and well-informed . . .

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. . . it is the circle of consumers in Norway which must be considered when considering the mark. In Norway the circle of consumers for laser guided bomb sets will on the whole be Norwegian official authorities, represented by the Government /Department of Defence Authorities. We further emphasize that relatively few people, including persons in the Norwegian state apparatus and professional personnel in Defence, who are involved in contracts deals and purchase of such goods, and who have the relevant knowledge of the products. Consequently, the relevant circle of consumers is both limited and specialised.

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. . . various extracts from articles in Periodicals such as "Flight International" and "Defence Daily" have been submitted, where both the owner and Opponent are mentioned as producers of Paveway laser guided bombs. The Opponent also stresses the relevance of copies of articles from Jane's which is considered to be the world's most important source of information for the defence industry. The Opponent claims that this proves that PAVEWAY is used in a generic way in literature for those working in the field.

The Patent Office does not consider it necessary to give a more detailed account of the parties' claims regarding the submitted documentation. The reason for this is that the documentation refers mainly to American sources. . . Periodicals/data bases such as "Flight International", "Defence Daily" Jane's and strategyworld.com, are, as far as we can see, are[sic] British and American. It is unclear to what degree articles in these Periodicals are read by and are known to Norwegian consumers in this field. The Patent Office must consider how the word mark PAVEWAY is considered by the average Norwegian consumer. We cannot see that the documentation submitted indicates how the average Norwegian consumer views the word combination PAVEWAY when used for laser guided bomb sets.

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We would require clear evidence to accept the claim that the average Norwegian consumer views PAVEWAY as generic. To which degree authorities in other countries look to the US Defence and their products, or are familiar with the terminology used for these goods in the US and by people connected to the US, is purely speculative and lacking clear

evidence. We would at least require some sources showing that the circle of consumers in Norway do in fact perceive PAVEWAY to be a type of laser guided bombs[bomb[sic] sets and which do not indicate a particular commercial origin.

(emphasis added)

Of course, cases decided in foreign jurisdictions have no precedential binding authority on this Board but, in the appropriate circumstances, decisions of foreign Courts and tribunals may be considered for their persuasive value. I do not find that any of the foreign cases involving the mark PAVEWAY which the parties have brought to my attention are particularly persuasive in deciding the issues in the instant opposition.

LEGAL ONUS AND EVIDENTIAL BURDEN

[47] Before considering the allegations in the statement of opposition, I will first outline some of the technical requirements with regard to (i) the legal onus on the applicant to prove its case, and (ii) the evidential burden on the opponent to support the allegations in the statement of opposition.

[48] With respect to (i) above, the legal onus is on the applicant to show that the application does not contravene the provisions of the *Trade-marks Act* as alleged by the opponent in the statement of opposition. The presence of a legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant. With respect to (ii) above, there is also, in accordance with the usual rules of evidence, an evidential burden on the opponent to prove the facts inherent in its allegations pleaded in the statement of opposition: see *John Labatt Limited v. The Molson Companies Limited*, 30 CPR (3d) 293 at 298 (FCTD). The presence of an evidential burden on the 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.

CONSIDERATION OF THE GROUNDS OF OPPOSITION

[49] I will consider the grounds of opposition in the order in which they appear in the statement of opposition.

Ground of Opposition pursuant to s.30(b)

Has the applicant in fact used the mark PAVEWAY in Canada since 1980 as claimed in the application?

[50] The evidence of both parties concentrates on their activities in the United States rather than in Canada. The opponent has not presented any evidence to support its allegation that the applicant has not used the mark PAVEWAY in Canada since 1980, while the opponent has presented some evidence of use of the mark PAVEWAY in Canada - although the evidence is not specific as to when sales under the mark were made. However, the applicant is not under any obligation to prove the date of first use unless the date is put into issue by the opponent. I find that there is insufficient evidence of record for opponent to meet its evidential burden to put the first ground of opposition into issue, and therefore the first ground of opposition is rejected.

Ground of Opposition pursuant to s.30(d)

The allegation relying on s.30(d) has become moot

[51] The opponent has alleged that the applicant never used the mark PAVEWAY in the United States. Presumably, the allegation was made to challenge the validity of the United States application initially referred to in the subject application, and thereby to challenge the propriety priority filing date (July 15, 2005) initially claimed by the applicant. However, as the subject Canadian application was amended to delete any reference to a priority filing date (see paragraph 2, above), it is moot to consider the allegation raised in the second ground of opposition. In any event, even if the application had not been amended and the opponent could prove the allegation, it is only the priority filing date (July 15, 2005) that would have been invalidated – that part of the application based on use of the mark in Canada would not have been refused under s.30(d).

Ground of Opposition pursuant to s.12(1)(c)

Is the term PAVEWAY the name of the wares?

Background Circumstances

[52] The applicant's predecessor in title, Texas Instruments, introduced the concept of a laser guided bomb in about 1965 and began working with the U.S. Air Force on a

development program, with the code name Paveway, to produce the first generation of LGBs. By the mid 1970s, the applicant was supplying the U.S. military with the second generation of laser-guided bombs, under the trade-mark PAVEWAY II. Then, in the early 2000s, the U.S. military asked the opponent to supply essentially the same laser guided bomb product that the applicant had been supplying. It is not surprising that, for the sake of convenience, the U.S. military consistently referred to the weapon to be sourced from the opponent by the applicant's trade-mark PAVEWAY. In this regard, the U.S. military's concern was sourcing the weapon regardless of which of the two suppliers was producing it. Soon the opponent began to refer to its LGBs by the applicant's trade-mark PAVEWAY. The community of commentators on U.S. military weapons also began to refer to the PAVEWAY weapon as having two sources – the applicant and the opponent. As a result, the applicant's mark PAVEWAY became non-distinctive in the United States.

Test under s.12(1)(c)

[53] The test for determining whether a mark offends s.12(1)(c) is set out and discussed in *ITV Technologies, Inc. v. WIC Television Ltd.* (2003), 29 C.P.R. (4th) 182 (FC), affirmed 38 CPR (4th) 481 (FCA):

. . . the Federal Court has determined that the test under s. 2(1)(c) is narrower than that on the use of descriptive terms (*Unitel Communications Inc. v. Bell Canada* (1995), 92 F.T.R. 161, 61 C.P.R. (3d) 12 (F.C.T.D.)). The mark as a whole must clearly be the name of the wares or services based on the immediate and first impression of the everyday user of the registrant's wares or services.

[82] In *Canadian Bankers Assn. v. Northwest Bancorporation* (1979), 50 C.P.R. (2d) 113 (T.M.O.B.), the applicant sought to register the mark BANCO on the basis of proposed use in association with banking services. The Trade-marks Opposition Board determined that the mark offended s. 12(1)(c) and was not registrable as the word "banco" was the Spanish equivalent of the English words "bank" and "banking services".

[83] Conversely, in *Horn Abbot Ltd. v. Thurston Hayes Developments Ltd.* (1997), 137 F.T.R. 206, 77 C.P.R. (3d) 10, the Federal Court held that the trade-mark TRIVIAL PURSUIT was not the name of any game or board game. Reed J. determined that

the fact that the game is a trivia game and the word trivia is found in the word trivial was not enough to make the trade-mark the name of the wares.

[84] In determining whether a mark is the name of the wares or services in connection with which it is used, the Court may have reference to dictionaries or other reference works to determine possible meanings for a mark. Nadon J. relied on French language dictionaries to conclude that the term "brûlerie" was a generic expression known to Canadians as being used in the coffee roasting business (*Brûlerie des Monts Inc. v. 3002462 Canada Inc.* (1997), 132 F.T.R. 150, 75 C.P.R. (3d) 445 (F.C.T.D.)). However, the Federal Court of Appeal has confirmed that dictionaries are sometimes inaccurate and should only be used as a guide (*Bagagerie S.A. v. Bagagerie Willy Ltée* (1992), 97 D.L.R. (4th) 684, 45 C.P.R. (3d) 503).

Reference Works

[54] The applicant relies on various dictionary and encyclopaedia references to support its claim that the term "paveway" is the name of the wares specified in the subject application, examples of which are discussed below.

[55] Exhibit 4 of Mr. Coghlan's affidavit is a copy of an extract from the *New Encyclopaedia Britannica*, (2007) under the heading "smart bomb." Part of the extract reads as follows:

Typical U.S. smart bombs have included the three Walleye models equipped with television-guidance systems and the Paveway series of bombs equipped with laser-guidance systems.

[56] Exhibit 5 of Mr. Coghlan's affidavit is a copy of an extract from the McGraw-Hill *Encyclopaedia of Science and Technology*, (2007) under the heading "smart weapons." Part of the extract reads as follows:

There are two classes of smart weapons. . . weapons systems in this class include laser-guided bombs such as paveway II and paveway III . . .

The paveway III (GBU-24, GBU-27) low-level laser guided bomb can alter its course from midpoint to impact by homing in on the reflections off the target from a laser illuminator.

[57] Mr. Serra describes *Jane's* magazine as “the leading global information provider and leading reference for the military and defence industries . . . the go-to resource, and an encyclopedia[sic] of sorts . . .” Exhibit 2 of Mr. Serra’s reply affidavit is a copy of an extract from the *Jane's* on-line publication dated 2006, shown, in part, below:

The Paveway family of Laser-Guided Bombs (LGBs) - or more precisely, laser guidance Kits - was designed and developed during the 1960s to meet the need for a precision attack capability for tactical aircraft that became pressing during the Vietnam War. The Precision Avionics Vectoring Equipment (PAVE) prefix was given to a range of US Air Force guided weapons initiatives at that time, but the Paveway codename has today become almost a generic title for LGBs. Within the US there are now two producers of the Paveway guidance system; Raytheon Missile Systems and Lockheed Martin Missiles and Fire Control.

Finding

[58] Having reviewed the parties’ evidence, I conclude that the term “paveway” is not the name of the applicant’s wares. The name of the applicant’ wares are bombs, or more specifically laser guided bombs, sometimes referred to as smart bombs. The term “paveway” is a coined word, in part an acronym for “precision avionics vectoring equipment.” Paveway was a codename for a weapon development program in the 1960s by the U.S. Air Force in co-operation with Texas Instruments. Texas Instruments adopted the term PAVEWAY as a trade-mark for its LGB product. Today the term paveway is understood to be a reference to LGBs, but in my view the evidence of record is insufficient to establish that it was the name of the applicant’s product as of the date of filing of the subject application in 2005, or as of today. The third ground of opposition is therefore rejected.

Grounds of Opposition pursuant to s.10 and s.12(1)(e)

Has commercial use of the term PAVEWAY in Canada resulted in the term designating the kind and quality of the applicant’s wares?

[59] The opponent has alleged that the applied-for mark PAVEWAY is not registrable because, pursuant to s.10, the term “paveway” has by ordinary and bona fide commercial

usage become recognized in Canada as designating the kind and quality of the wares covered in the subject application. Section 10 reads as follows:

Where any mark has by ordinary and bona fide commercial usage become recognized in Canada as designating the kind, quality, quantity, destination, value, place of origin or date of production of any wares or services, no person shall adopt it as a trade-mark in association with such wares or services or others of the same general class or use it in a way likely to mislead, nor shall any person so adopt or so use any mark so nearly resembling that mark as to be likely to be mistaken therefor.
(emphasis added)

[60] This Board has accepted that the material date for determining the “ordinary and bona fide commercial usage” of the mark in Canada for the purposes of s.10 is the date of the Board’s decision: see, for example, *Sealy Canada Ltd. v. Simmons I.P. Inc.* (2005), 47 CPR (4th) 296 (TMOB), which follows *Canadian Olympic Assn. v. Olympus Optical Co.* (1991), 38 CPR (3d) 1(FCA); contra, see *ITV Technologies, Inc. v. WIC Television Ltd.* (2003), 29 CPR (4th) 182 (FC) where the material date is the date when the mark is first used in Canada, affirmed 38 C.P.R. (4th) 481, which follows *Carling Breweries Ltd. v. Molson Companies Ltd. et al.*, (1982), 1 CPR (3d) 191(FC), reversing 70 CPR (2d) 154 (TMOB), affirmed 19 CPR (3d) 129 (FCA).

[61] The relevant test set out by s.10 is discussed at paragraph 88 of *ITV Technologies*, above:

Pursuant to s. 10, a mark may become a prohibited mark if as a result of ordinary and bona fide commercial usage, it has become recognized in Canada as designating the kind, quality, quantity, destination, value, place of origin or date of production of any wares or services. The statutory prohibition requires that the use of the mark in question be in Canada and that the mark must have been commonly used in Canada at the relevant time as designating an aspect of the wares or services which are the subject of the mark . . .

[62] The applicant’s submissions respecting s.10 are found at paragraphs 52 and 53 of its written argument, shown below:

52. Section 10 also clearly requires the mark to have become generic as a result of usage in Canada. Thus, any evidence submitted by the Opponent regarding use of the PAYEWAY

mark in the United States is not to be considered when determining if the PAVEWAY mark is recognized as designating the kind or quality of laser-guided bombs. Since no evidence was filed of any entity using the PAVEWAY mark in Canada before (or after) the date that the Applicant first began to use PAVEWAY in Canada, the term cannot have become generic in Canada as of this date.

53. Even if a date other than the Applicant's date of first use is asserted as being relevant for the Section 10 inquiry, the Opponent has filed no evidence to support a finding that the PAVEWAY mark is used extensively in Canada to designate the kind or quality of wares being sold, nor that PAVEWAY has an accepted definition in the relevant Canadian industry.

[63] I am in substantial agreement with the applicant's above submissions. In my view, whether the material date is the date of first use of the mark claimed by the applicant, that is, December 31, 1980, or the date of my decision, the opponent's evidence is insufficient to show that the term "paveway" has become generic in Canada. In this regard, the opponent's evidence establishes, at best, only minimal commercial use of the term paveway for LGBs sold by the opponent in Canada, nor is there any evidence of commercial use of the term "paveway" for LGBs by third parties. In my view, the opponent's evidence is insufficient to put s.10 into issue at either material date. The ground of opposition pursuant to s.10 is therefore rejected.

Grounds of Opposition pursuant to s.2 and s.38(2)(d)

Does the term PAVEWAY distinguish the applicant's wares?

[64] The last two grounds of opposition allege that the applied-for mark PAVEWAY does not distinguish the applicant's wares. As usual, the legal burden is on the applicant to show that its mark actually distinguishes its wares from those of the opponent, and others, throughout Canada: see, for example, *Muffin Houses Inc. v. The Muffin House Bakery Ltd.* (1985), 4 CP R(3d) 272 (TMOB). The material time for considering the circumstances respecting the issue of distinctiveness is as of the filing of the opposition, in this case October 11, 2006: see *Re Andres Wines Ltd. and E. & J. Gallo Winery* (1975), 25 CPR(2d) 126 at 130 (FCA); *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.* (1991), 37 CPR(3d) 412 at 424 (FCA).

[65] As noted by the applicant in its written argument, the bases for the opponent's allegation that the applied-for mark PAVEWAY is not distinctive are that the term "paveway" (i) is generic, (ii) is the name of the applicant's wares, and (iii) does not distinguish the applicant's LGBs from those sold by the opponent under the name "paveway." I have previously found that the term "paveway" is not the name of the applicant's wares. Further, as alluded to in paragraph 63, above, the opponent is not in a position to rely on any evidence of record to argue that its own use of the term paveway for LGBs sold in Canada has had any significant impact on the distinctiveness of the applied for mark PAVEWAY. In this regard, the opponent's evidence regarding sales of its LGBs in Canada is too imprecise to allow me to infer that such sales are anything above a minimal level.

[66] The opponent's last remaining basis for the allegation that the applied-for mark is not distinctive is that the term "paveway" is generic in Canada owing to a "spillover" effect from the United States. At the oral hearing counsel for the opponent argued that the relevant Canadian consumer, that is, military/government personnel concerned with acquiring LGBs, would be aware of the situation in the United States which resulted in the mark PAVEWAY becoming non-distinctive in that jurisdiction. In this regard, the opponent relies on a plethora of documents, articles in trade journals and industry presentations, press releases, and promotional material in the evidence of record – none of which is specific to Canada. I am prepared to infer that some of those materials would have come to the attention of the relevant Canadian purchaser. Further, as discussed by this Board in *Automobile Club de l'Ouest de France v. Bridgestone Inc.* (1994), 53 CPR (3d) 242 at 247-48, all such evidence which tends to establish non-distinctiveness of the applied-for mark may be considered, although it is not "use" of a mark in the technical sense. In the instant case, the opponent's evidence is at least sufficient to meet the opponent's evidential burden and therefore to put the allegation of non-distinctiveness into issue.

Jurisprudence

[67] In *Automobile Club*, above, the opponent was relying on its mark LE MANS, used in association with a car race held annually in Le Mans, France, to oppose the mark LEMANS (one word) used in association with “vehicle tires.” In considering the non-distinctiveness ground of opposition, the Board reasoned as follows, at p. 248:

In view of the opponent's evidence of articles reporting on the LE MANS race in magazines having substantial circulation in Canada, I am satisfied that the opponent's two marks LES 24 HEURES DU MANS and LE MANS had become known in Canada, by the material date April 21, 1987, at least to the extent necessary to support the ground of opposition alleging non-distinctiveness of the applied-for mark. I do not accept the opponent's allegations that its LE MANS marks are well-known in Canada . . .

Nevertheless, the opponent's evidence establishes that at the material date April 21, 1987, a fair number of Canadians were aware of the LE MANS automobile race, and that it is a 24-hour endurance race testing both the driver and the vehicle. Further, the magazine articles evidenced by the opponent, and to a limited extent encyclopaedia references provided by opponent's counsel at the oral hearing . . . illustrate the connection between the LE MANS race and innovative, or prototype, automobile technology.

[68] In *Automobile Club*, above, the Board was unable to make a determinative finding on the issue on distinctiveness. In the result, the application was refused as the applicant did not meet the legal onus on it to establish that its mark LEMANS was distinctive. In the instant case, the opponent has not provided any evidence to indicate the extent to which the articles and materials which contributed to making the mark PAVEWAY non-distinctive in the United States circulated in Canada.

[69] In *Bojangles' International, LLC v. Bojangles Café Ltd.* (2004), 40 CPR(4th) 553 (TMOB), the opponent was relying on its mark BOJANGLES' to oppose the mark BOJANGLES CAFÉ, both marks for use in association with restaurant services. The opponent's mark had been used in the United States, not in Canada. The issue was whether the opponent's mark had acquired a reputation in Canada sufficient to negate the

distinctiveness of the applied-for mark. The Board discussed the difficulty in making inferences regarding Canada from evidence that is not specific to Canada, at p. 559-60:

. . . support for the opponents' position that its mark is widely known if not well known in Canada is based on inferences that must be drawn solely from broad statistical information. For example . . . affidavits provide information regarding the extent of sales through BOJANGLES' restaurants in the United States; . . . evidence of (i) Canadian "arrivals" to the United States by car and (ii) the placement of BOJANGLES' advertising billboards on major US highways running north-south roughly parallel to the eastern sea coast, that is, the routes that would be taken by eastern Canadians travelling to the warmer climates of the southern States . . . affidavits establish that Canadian customers are served in the opponents' restaurants . . . The facile inference from the above evidence is that many Canadian visitors to the United States become familiar with the opponents' mark BOJANGLES' through the opponents' advertising and through actually ordering meals at BOJANGLES' restaurants. However, the evidence presented by the opponents goes no further than that. The difficult inference is to quantify with any degree of confidence, or to estimate in some meaningful or analytical way, the extent to which Canadians have become familiar with the opponents' mark BOJANGLES'.

[70] The Board also noted at p. 561 that:

. . . the opponents have not submitted any affidavit evidence from persons resident in Canada, from persons knowledgeable about the Canadian restaurant trade or from Canadian residents interested in operating a franchised restaurant.

Similarly, in the instant case, the opponent has not submitted any affidavit evidence from persons resident in Canada knowledgeable about laser guided bombs.

Applicant's submissions on the issue of non-distinctiveness

[71] In its written argument, the applicant submits that:

72. . . the party alleging non-distinctiveness, in this case the Opponent, must show evidence of recognition in Canada of marks which allegedly negate the distinctiveness of the Applicant's PAVEWAY mark. Evidence of significant use outside of Canada is irrelevant, unless it can be shown that the use outside Canada

resulted in recognition in Canada. The Opponent has failed to do so.

.....

74. Virtually all of the evidence filed by the Opponent is focussed on the U.S. market and the perception of the term PAVEWAY in the United States. The Opponent has filed numerous documents from various departments of the U.S. government, none of which are relevant to establishing how the relevant Canadian purchaser perceives the term PAVEWAY. The Opponent has also filed a number of articles from various members of the industry press which discuss PAVEWAY (almost exclusively as it relates to the U.S.), but no evidence at all to establish that any of these articles were available to or read by the relevant Canadian purchasers. The Opponent has included some "demographic information" for several of the articles it filed as evidence, but none of this demographic evidence shows whether the articles were available or read in Canada.

[72] I am in substantial agreement with the applicant's above submissions. However, I disagree with the statement in paragraph 72 of the applicant's written argument, above, that the opponent "must show evidence of recognition in Canada of marks which allegedly negate the distinctiveness of the Applicant's PAVEWAY mark." The opponent need not rely on a trade-mark as defined in the *Trade-marks Act*. It is sufficient for the opponent to rely on a term which is not a trade-mark, as in the instant case where the opponent is not claiming any proprietary rights to the term "paveway." The opponent's position is that no person can claim proprietary rights to the term "paveway" for LGBs because the term is incapable of trade-mark status.

Finding

[73] In view of the foregoing, I find that the opponent's evidence does not show sufficient recognition in Canada of the term "paveway" to negate the distinctiveness of

the applicant's mark PAVEWAY. The last ground of opposition is therefore rejected.

DISPOSITION

[74] In view of the foregoing, the opposition is rejected.

[75] This decision has been made pursuant to a delegation of authority under s.63(3) of the *Trade-marks Act*.

Myer Herzig, Member,
Trade-marks Opposition Board
Canadian Intellectual Property Office