



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

**Reference: 2013 TMOB 99**  
**Date of Decision: 27/05/2013**  
**Translation**

**IN THE MATTER OF THE  
OPPOSITION submitted by Groupe IME  
Inc. against registration application  
No. 1,423,611 for the VITHEQUE trade-  
mark in the name of Vidéographe Inc.**

Introduction

[1] Groupe IME Inc. (the Opponent) opposes registration of the VITHEQUE trade-mark (the Mark) covered by application No. 1,423,611 in the name of Vidéographe Inc. (the Requesting Party).

[2] This application, submitted on December 22, 2008, claims use of the Mark in Canada since July 16, 2007 in association with a service of sales, rental and use of electronic content offered from a database hosted on a website. The detailed statement of services covered by this application is reproduced in Appendix A.

[3] The Opponent bases its opposition on three grounds, all related to the issue of a likelihood of confusion pursuant to the *Trade-marks Act*, RSC1985, c T-13 (the Act) between the Mark and the ITHEQUE trade-mark claimed to have been previously used in Canada by the Opponent and its predecessor in title, Pierre Turgeon, in association with an Internet-based interactive digital platform and digital media library.

[4] The facts in this case are unusual in that although the Requesting Party and the Opponent are unrelated to each other, they share the fact of having been related, directly or indirectly, to Pierre Turgeon. In fact, the Requesting Party had, in the past, signed an agreement with the company Tonality Inc. (Tonality), at a time when it was active and represented by Mr. Turgeon, stipulating the pooling of their respective skills and expertise to implement and develop the VITHEQUE project at the source of this application. The Opponent, managed by Mr. Turgeon, claims to have acquired from the latter rights to the ITHEQUE trade-mark.

[5] Underlying the issue of likelihood of confusion between the marks in question is the issue of determining whether the previous use of the ITHEQUE trade-mark benefits Tonality rather than the Opponent and its predecessor in title Mr. Turgeon. The prior representations and actions of Mr. Turgeon, specifically in regard to the commercial relationship established between the Requesting Party and Tonality, must be taken into consideration in this case.

#### The file

[6] The statement of opposition was submitted on May 13, 2010. The detailed list of grounds of opposition as argued by the Opponent is attached as Appendix B. The Requesting Party submitted a counter-statement denying each of these grounds of opposition.

[7] In support of its opposition, the Opponent submitted an affidavit from Pierre Turgeon, president and manager of the Opponent, sworn on November 22, 2010. Mr. Turgeon was cross-examined and a transcript of this cross-examination and answers to the undertakings made during the latter have been placed in the file. In support of its application, the Requesting Party submitted an affidavit from Bernard Claret, executive director and manager of the Requesting Party, sworn on August 26, 2011.

[8] Each party submitted a written argument. Only the Requesting Party attended a hearing.

#### The burden placed on the Parties

[9] It is initially for the Opponent to establish the well-foundedness of its opposition. However, the legal onus of showing that the Mark is registrable falls to the Requesting Party, according to the balance of probabilities [see *John Labatt Ltd. v. Molson Companies Ltd.* (1990),

30 CPR (3d) 293 (CF); and *Dion Neckwear Ltd. v. Christian Dior, SA et al.* (2002), 20 CPR (4th) 155 (FCA)].

### Analysis

[10] As mentioned above, these three grounds of opposition argued by the Opponent are all related to the likelihood of confusion between the Mark and the Opponent's ITHEQUE trade-mark.

[11] I will begin my analysis of the likelihood of confusion between the marks at issue in regard to the ground of opposition based on subsection 16(1)(a) of the Act.

#### Ground of opposition based on subsection 16(1)(a) of the Act

[12] To meet its initial burden of proof in regard to subsection 16(1)(a) of the Act, the Opponent must show that its ITHEQUE trade-mark had been used in Canada prior to the date of the first claimed use in this application and that it had not been abandoned at the date of announcement of the Requesting Party's application in the *Trade-Marks Journal*, i.e. December 16, 2009 [subsection 16(5) of the Act]. I agree with the Requesting Party that the burden has not been met in this instance.

[13] In fact, further to my review of Mr. Turgeon's testimony and in light of his cross-examination and the elements of evidence submitted by the Requesting Party by way of Mr. Claret's affidavit, I conclude that prior use of the ITHEQUE trade-mark did not benefit the Opponent and its predecessor, Mr. Turgeon, but rather a third-party, i.e. Tonality.

#### Prior use of the ITHEQUE mark does not benefit the Opponent

[14] In his affidavit, Mr. Turgeon states being president of the Opponent and a manager of the latter since 2007. Mr. Turgeon also states having been executive director of Tonality from September 22, 2004 to February 24, 2010 [paras 1, 2 and 3 of his affidavit].

[15] Mr. Turgeon explains that the Opponent is a company active in the field of online hosting of publications on computer networks, such as the Internet, by way of digital library services

since 2007. Tonality was also active in the same field between 2006 and February 2010 [paras 6 and 7 of his affidavit].

[16] Regarding more specifically the ITHEQUE mark, Mr. Turgeon states that: “The Opponent has made extensive use of [the latter], specifically through its commercial activities and those of Tonality, *under licence* [my emphasis], since at least as early as August 15, 2006 in association with digital library and online digital publications hosting services” [para 8 of his affidavit]. Mr. Turgeon submitted as evidence Exhibit PT-1, a copy of the authenticity certificate from the trade-marks register concerning an application submitted by the Opponent to register the ITHEQUE mark based on its use in association with similar services since August 15, 2006 by the Opponent and its *predecessor in title* Mr. Turgeon [my emphasis].

[17] However, the facts submitted as evidence in no way establish the existence of this licence or even the control exercised by the Opponent and Mr. Turgeon regarding use of the ITHEQUE mark by Tonality. Furthermore, although Mr. Turgeon states having assigned the ITHEQUE mark to the Opponent, the circumstances surrounding such assignment are somewhat nebulous at best. Rather, all of the evidence points in the direction of Tonality as *owner* of the ITHEQUE mark for the following reasons:

1. When questioned about the assignment made between himself and the Opponent, Mr. Turgeon provided *no* details whatsoever concerning the terms and conditions of this assignment [transcript, pp. 12-14; reply to undertaking E-2]. The only elements of information that stem from his cross-examination are to the effect that this assignment had occurred around February 2010, when Tonality ceased its operations [transcript, pp. 12 and 13]. I will return later to this aspect of Mr. Turgeon’s testimony;
2. *None* of the items submitted in support of Mr. Turgeon’s affidavit present the latter as owner of the ITHEQUE mark. On the contrary, several of these items present Tonality as the entity having developed the ITHEQUE service and holding rights to the latter. See specifically:
  - Under PT-2: In the document entitled *Contrat de prestation de services [professional services contract]* signed between Tonality and the Beaconsfield

municipal library stipulating in subsection 1.4 that “Tonality held all the rights necessary for implementation and operation of the iThèque service” and in subsection 2.1 that “The term iThèque should be taken to mean the multimedia platform created and developed by Tonality”;

- Under PT-6: In the document entitled *Coup d'œil Gardengois [Ange Gardien newsletter]* according to which “[...] iThèque allows you full legal access to a set of documents. Implemented four years ago by the Quebec company Tonality, the system is in fact based on [...]”; and the excerpts taken from <http://www.marthiii.com> according to which: “[...] Tonality has a unique technological infrastructure which enables it to combine all categories of digital publications and already offers thousands of publications for download. In addition to standing out with its iThèque service, Tonality distributes [...]” and “We are proud to have developed the iThèque service ([www.ithèque.net](http://www.ithèque.net)) which is the first digital lending platform [...]. iThèque will be a true revolution in the cultural and world libraries universe. It is moreover as part of its development that Tonality and all its team is pleased to announce its new implementation in Europe”, etc.; and

- Under PT-7: In the document entitled *iThèque une odysée électronique [iThèque, an electronic odyssey]* presenting once again Tonality as the entity having created the ITHEQUE multimedia platform and referring to the “Tonality/iThèque” location in Montreal;

3. The partnership agreement signed between the Requesting Party and Tonality on December 17, 2007 submitted as Exhibit BC-2 in Mr. Claret’s affidavit stipulates in subsection 4.5 that Tonality is the *owner* of iThèque and Tonality.ca. Tonality is the creator and manager of the viThèque content. Tonality is the *creator* of the innovative Internet library concept ‘iThèque’ and all of the technologies, electronic or other, produced in its development” [my emphasis]. The signatories to this agreement on behalf of Tonality are Pierre Turgeon and his son, François Turgeon. The relationship between Pierre and François Turgeon was established during the cross-examination [see specifically page 8 of the

transcript]. There were three signatories to this agreement on behalf of the Requesting Party, one of whom being Mr. Claret.

Regarding conclusion of the agreement BC-2, Mr. Claret states in his affidavit that at no time did Mr. Turgeon indicate to him that he was personally owner of the ITHEQUE mark and Tonality held only a licence to use the ITHEQUE mark [para 11 of his affidavit]. I will return later to the circumstances surrounding the conclusion of this agreement and its termination.

4. According to Exhibit BC-3 in Mr. Claret's affidavit, which consists in a copy of Wikipedia web pages, the Opponent had "taken back iThèque" in April 2010. This information is found at the very end of the section covering the history of the "ITHEQUE" service, describing moreover Tonality as the company having put this service online, which is described as "an innovative 'virtual' digital library concept imagined by Pierre Turgeon and François Turgeon that extends the mission of classic print and media libraries, [and being] offered to French-language cultural institutions throughout the world". In his affidavit, Mr. Claret states that Mr. Turgeon monitored the Wikipedia site and had already had it changed; and

5. According to Exhibit BC-7 in Mr. Claret's affidavit, which consists in an excerpt from the Quebec companies register concerning Tonality, "ITHÈQUE" is declared by Tonality as another name used by the latter in Quebec since June 13, 2006.

[18] Returning to the agreement BC-2, Mr. Claret states in his affidavit that the VITHEQUE project was achieved using public funds granted by Canadian Heritage. Regarding the public funds, Mr. Claret explains that "it was a crucial component of the partnership agreement that the [p]roject implemented be perennial, as recorded in subsections 16 and 18.9 of the agreement [...] BC-2" [para 15 of his affidavit]. Mr. Claret continues his affidavit in specifying that under the terms of subsections 16.2, 18.9 and 18.11 of this agreement, all rights whatsoever in the VITHEQUE project were assigned to the Requesting Party when this agreement was cancelled in fall 2008 [para 18 of his affidavit]. It stems from Mr. Claret's affidavit that cancellation of the BC-2 agreement stemmed from the fact that Tonality had at this time filed an application for bankruptcy on September 10, 2008. It should be noted that a copy of the ruling by the Superior Court of Quebec dated February 24, 2010 announcing the bankruptcy of Tonality submitted in

evidence as Exhibit BC-8 in Mr. Claret's affidavit, concerns the company "Les Éditions Tonality Inc." rather than "Tonality". However, Mr. Turgeon indicates on page 51 of his cross-examination that, in corporate terms, "Les Éditions Tonality Inc.", "Tonality Inc." and "Distribution Tonality" "are all the same thing". Furthermore, the termination of the agreement BC-2 had not been questioned by the Opponent.

[19] Returning to the aspects of Mr. Turgeon's oral testimony regarding ownership of the ITHEQUE mark, it should be noted that the latter still talks spontaneously of *assignment* of the ITHEQUE mark, as opposed to a licence to use. He later corrects himself in saying that he is the one who invented the mark, that it belongs to him personally and that he had assigned to Tonality a right to use the latter [see specifically pages 7-12 of the transcript]. Mr. Turgeon is however careful not to explain the terms and conditions of this licence despite questions on the subject asked by the Requesting Party's counsel. Furthermore, Mr. Turgeon uses basically the same language in regard to the Opponent: see specifically pages 98-102, 106 and 107 of the transcript where he explains that it was following the bankruptcy of Tonality, announced in February 2010, that he "took back [the ITHEQUE mark] and [...] gave a *licence* to the Opponent", and on page 13 of the transcript, where he indicates the Opponent is the owner of the ITHEQUE mark, having received an *assignment* from him to *continue using* the ITHEQUE platform". Here again, Mr. Turgeon is careful not to explain the terms and conditions of the assignment reached between himself and the Opponent, despite the questions of the Requesting Party's counsel trying to cast light on the circumstances surrounding the latter and the Tonality bankruptcy.

[20] As indicated above, the circumstances surrounding the so-called licence and assignment of the ITHEQUE mark to Tonality and the Opponent respectively are somewhat nebulous at most (if not contradicted, specifically by agreement BC-2). I can only draw negative inferences from the failure by Mr. Turgeon and the Opponent to clarify this aspect of the file despite attempts to do so by the Requesting Party's counsel.

[21] I conclude that the Opponent has not established that it used, by itself or its predecessor Mr. Turgeon, the ITHEQUE mark prior to the date of first use claimed by the Requesting Party, nor did it establish that the prior use of the ITHEQUE mark by Tonality was as a duly controlled licensee within the meaning of Section 15 of the Act rather than as owner of the mark.

Accordingly, the Opponent has not met its duty to provide an initial burden of proof. I would add that given subsection 17(1) of the Act, the use of the ITHEQUE mark by a third-party, in this case Tonality, cannot support a ground of opposition based on subsection 16(1)(a) of the Act.

[22] Therefore, the ground of opposition based on 16(1)(a) of the Act is rejected.

Ground of opposition based on subsection 30(i) of the Act

[23] This ground of opposition must also be rejected for the reason that the Opponent has not met its duty to provide an initial burden of proof.

[24] In fact, subsection 30(i) of the Act requires simply that the Requesting Party provide a statement declaring that it is convinced that it is entitled to use the Mark in Canada in association with the services described in its application. The Requesting Party has strictly complied with the requirements of this provision. It has been well established in case law that a ground of opposition based on Section 30(i) of the Act should only be retained in exceptional cases, specifically where bad faith by the Requesting Party is established [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 CPR (2d) 152 (TMOB) 155], which is not the case here. It cannot be inferred that the Requesting Party's simple knowledge of the ITHEQUE mark construed bad faith at the time of submission of the current application. On the contrary, conclusion of the agreement submitted as Exhibit BC-2 establishes the Requesting Party's good faith in this regard.

The ground of opposition based on the absence of distinctive character

[25] It should be stressed that this ground of opposition, as argued, is restricted to the Opponent's services.

[26] Accordingly, to meet its initial burden of proof in regard to the absence of distinctive character, the Opponent must show that its ITHEQUE trade-mark had become sufficiently known in Canada on the date of the statement of opposition, i.e. May 13, 2010, such as to deny the distinctive character of the Mark [see *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 CPR (2d) 44 (CF); and *Bojangles' International LLC and Bojangles' Restaurants Inc. v. Bojangles Café Ltd.* (2006), 48 CPR (4th) 427 (CF)].



[27] However, it stems from my analysis above that the Opponent, in itself, can at best only claim rights to the ITHEQUE mark since February 2010. The Opponent cannot in fact fall back on the prior use of the ITHEQUE mark by Tonality since this use cannot be attributed to it pursuant to Section 50 of the Act.

[28] Considering more specifically the proof of the Opponent's use of the ITHEQUE mark between February 2010 and the Relevant Date of May 13, 2010, my previous comments should be recalled concerning the lack of precision regarding the Tonality bankruptcy and the Opponent's "continuity in operating the ITHEQUE platform" following Mr. Turgeon's claimed assignment of the ITHEQUE mark.

[29] It should also be noted that "the annual Canadian sales generated by the ITHEQUE services" provided by Mr. Turgeon in paragraph 18 of his affidavit concern the years 2006 to 2009 only. No figures have been provided concerning the resumption of activities by the Opponent. It should be recalled on this point that it stems clearly from the cross-examination of Mr. Turgeon that any sale concluded after the Tonality bankruptcy cannot be attributed to the Opponent as such, but rather to Tonality [see specifically pages 93-97 of the transcript].

[30] There remains the exhibits submitted in support of Mr. Turgeon's affidavit. The only ones that can be related to the Opponent rather than Tonality are Exhibits PT-4 and 5. However, the screenshots produced as Exhibit PT-4 that Mr. Turgeon describes as originating from "the website [www.itheque.net] using ITHEQUE" are dated October 18, 2010, i.e. after the Relevant Date. Regarding Exhibit PT-5 that Mr. Turgeon describes as "various access and website use reports for the years 2006-2009", these list various numbers of "sessions" for the period of February to May 2010. Conversely, it is impossible to determine the extent to which these "sessions" relate to Canadian users as opposed to foreign users. In fact, it stems from Exhibit PT-5 that these consultations originate from various "media libraries", many of which are in France and Peru.

[31] I conclude that the Opponent has not met its duty to provide an initial burden of proof to establish that its ITHEQUE mark had become sufficiently known in Canada as at May 13, 2010 so as to deny the distinctive character of the Mark.

[32] Therefore, the ground of opposition based on the absence of distinctive character is rejected.

Decision

[33] Given the above and in exercising the authority delegated to me pursuant to Section 63(3) of the Act, I reject the opposition in application of Section 38(8) of the Act.

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Annie Robitaille  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office

## Appendix “A”

Declarative list of services covered by the registration application No. 1,423,611:

Services for the sale, rental and use of electronic content offered from a database hosted on an Internet website for: the rental of videographic works and artistic images delivered to subscribers by chrono-degradable electronic download; free electronic viewing of videographic sequences and artistic images directly from the Requesting Party’s website or electronic buffer memory on the user’s computer; free electronic viewing of documentary films, fiction films, arts videos, dance videos, animated films, experimental films and teaching content on videographic works and independent arts in the electronic media; and the sale of videographic works and artistic images delivered to the user by electronic download.

## Appendix “B”

The grounds of opposition argued by the Opponent are the following:

- a) The Opponent bases its opposition on the provisions of subsection 38(2)(a); in fact, the [a]pplication does not meet the requirements stipulated in Section 30, more specifically those stipulated in:
  - i) subsection 30(i); in effect, the Requesting Party and the Opponent are active in the same field, specifically web-based interactive and media library digital platform. Accordingly, each party is familiar with the other party’s services and trade-marks. In [A]ugust 2006, the Opponent’s predecessor introduced “iTheque.net”, (<http://www.itheque.net>), a new interactive platform enabling the management of a web-based service for the loan of digital cultural publications. The Opponent and its predecessor thus used the ITHEQUE trade-mark since as early as [A]ugust 2006 in association with the “virtual” digital library services. Accordingly, the Opponent is claiming that the Requesting Party could not and still cannot be convinced that it has the right to use the Mark in Canada in association with the services mentioned in the [a]pplication, given that at the time the application was submitted, the Requesting Party was aware of the Opponent’s use of the ITHEQUE mark;
- b) The Opponent also bases its opposition on the provisions of subsection 38(2)(c); in effect, the Requesting Party is not the person holding entitlement to registration of the Mark pursuant to the provisions of subsection 16(1)(a), since on the date of submitting the [a]pplication, the Mark created confusion (within the meaning of Sections 2 and 6) with the Opponent’s ITHEQUE mark used in Canada since at least as early as August 2006;
- c) Furthermore, the Opponent bases its opposition on the provisions of subsection 38(2)(d); in effect, the Mark is not distinctive (within the meaning of Section 2), since the Mark cannot be truly distinguished and is not adapted to distinguish the services of the Requesting Party, as stated in the [a]pplication, from the services of other persons and more specifically the services of the Opponent as stated in paragraph [a)(i)].

Traduction certifiée conforme  
Alan Vickers