



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

Citation: 2010 TMOB 65
Date of Decision: 2010-05-13

**IN THE MATTER OF AN OPPOSITION
by Masimo Corporation to application
No. 1,215,695 for the trade-mark
INSYNC MAXIMO in the name of
Medtronic, Inc.**

[1] On April 28, 2004, Medtronic, Inc. (the Applicant) filed an application to register the trade-mark INSYNC MAXIMO (the Mark) claiming priority of a corresponding United States application filed on December 16, 2003. The Mark has been applied for registration on the dual basis of proposed use in Canada and use and registration in the United States. In response to an Examiner's report, an amended application was filed on August 16, 2005 changing the statement of wares from "medical devices, *including* implantable pulse generators and cardioverter defibrillators, components parts and fittings therefor" to "medical devices, *namely*, implantable pulse generators and cardioverter defibrillators, components parts and fittings therefor" (my emphasis).

[2] The application was advertised in the *Trade-marks Journal* of October 26, 2005. It is to be noted that the statement of wares as advertised contained an error in that the word "namely" incorrectly read "including". The Applicant brought the error to the Registrar's attention by letter dated November 18, 2005. The error was corrected by a "note to file" on November 23, 2005.

[3] On December 22, 2005, Masimo Corporation (the Opponent) filed a statement of opposition. Generally speaking, the grounds of opposition are as follows: (i) the application does not conform to the requirements of s. 30 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act)

because the wares were not defined specifically in ordinary commercial terms and the Applicant could not have been satisfied that it was entitled to use the Mark in Canada; (ii) the Mark is not registrable pursuant to s. 12(1)(d) of the Act because it is confusing with the Opponent's registered trade-marks MASIMO (TMA512,934) and MASIMO SET & Design (TMA511,363); (iii) the Applicant is not the person entitled to registration of the Mark pursuant to s. 16(2)(a) and s. 16(3)(a) of the Act because the Mark at the filing date and the priority filing date of the application was confusing with the Opponent's trade-marks MASIMO and MASIMO SET & Design previously used in Canada by the Opponent; and (iv) the Mark is not distinctive of, and is not adapted to distinguish, the Applicant's wares.

[4] On February 14, 2006, the Applicant filed a counter statement in which it denied each ground of opposition and asserted that it had no knowledge of the use of the trade-marks alleged by the Opponent. In addition, the Applicant referred to its letter dated November 18, 2005 with respect to the error in the advertisement.

[5] Pursuant to r. 41 of the *Trade-marks Regulations*, SOR/96-195 (the Regulations), the Opponent filed certified copies of its alleged registrations and the affidavit of William C. Fleming, dated September 8, 2006, together with Exhibits A to F. Mr. Fleming, who has been Associate Counsel for the Opponent since November 29, 2004, was not cross-examined by the Applicant.

[6] Pursuant to r. 42 of the Regulations, the Applicant filed the affidavit of Paul H. McDowall, dated April 10, 2007, together with Exhibits "A" to "CC". Mr. McDowall, who has been Patent Counsel in the Applicant's Cardiac Rhythm Disease Management division since April 15, 2002, was not cross-examined by the Opponent.

[7] Both parties filed a written argument and were represented at an oral hearing held on February 11, 2010.

[8] On the day of the hearing, the Opponent filed a request for leave to file an amended statement of opposition to correct a typographical error, replacing the reference to s. 30(b) in the first ground of opposition with a reference to s. 30(a) of the Act. At the oral hearing, the Applicant objected to the Opponent's request. I would remark, however, that at no time during

the proceeding did the Applicant challenge the pleading of the first ground of opposition for being improperly based upon s. 30(b) of the Act. Furthermore, the Applicant did assert that the wares were defined in ordinary commercial terms in its counter statement. Clearly, the Applicant understood that the ground of opposition was based upon non-conformity to s. 30(a) of the Act. In any event, I have no difficulty in accepting the reference to s. 30(b) in the original statement of opposition as a typographical error. Pursuant to r. 40 of the Regulations, I hereby grant the Opponent's request for leave to amend its statement of opposition. Thus, the amended statement of opposition filed on February 11, 2010 is now of record.

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[9] 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].

Material Dates

[10] The material dates that apply to the grounds of opposition are as follows:


- s. 38(2)(a)/s. 30 – the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.)];
- s. 38(2)(b)/s. 12(1)(d) – the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)];
- s. 38(2)(c)/s. 16(2)(a) and s. 16(3)(a) – the priority filing date of the application [see s. 16(2) and s. 16(3)];
- s. 38(2)(d)/non-distinctiveness – the filing date of the statement of opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)].

[11] I will analyze the grounds of opposition in regard to the evidence of record, without necessarily respecting the order in which they were raised in the statement of opposition. I note that I am disregarding any evidence introduced by the Fleming affidavit directed to the word trade-mark MASIMO SET since it has not been alleged in support of any grounds of opposition. Further, I accept evidence of use of the word MASIMO in the design format illustrated hereafter as evidence of use of the registered trade-mark MASIMO.



Registrability pursuant to s. 12(1)(d) of the Act

[12] I have exercised the Registrar's discretion to confirm that the Opponent's alleged registrations, the particulars of which I summarize below, are in good standing.

<u>Trade-mark</u>	<u>Reg. No.</u>	<u>Date</u>	<u>Wares</u>
MASIMO	TMA512,934	July 19, 1999	<p>(1) Electronic sensors and monitors for extracting data from signals containing noise and interference, and in vivo patient monitors and sensors for detecting a physical condition of a living individual. (2) In vivo patient monitors for detecting a physiological condition; electronic in vivo monitors, namely blood monitors.</p> <p>Used and registered in the United States for wares (2). Declaration of Use filed April 14, 1999 for wares (1).</p>
 MASIMO SET	TMA511,363	April 29, 1999	<p>Electronic sensors and monitors for extracting data from signals containing noise and interference, and in vivo patient monitors and sensors for detecting a physical condition of a living individual.</p> <p>Declaration of Use filed April 14, 1999</p>

[13] As the alleged registrations are extant, the Opponent has discharged its initial evidential burden with respect to the registrability ground of opposition. Therefore, the burden of proof lies on the Applicant to convince the Registrar, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the registered trade-mark MASIMO or the registered trade-mark MASIMO SET & Design.

[14] Unless indicated otherwise, I will collectively refer to the Opponent's trade-marks MASIMO and MASIMO SET & Design as the MASIMO Marks.

[15] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[16] In applying the test for confusion, I must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; b) the length of time the trade-marks have been in use; c) the nature of the wares, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See, in general, *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.)]

The inherent distinctiveness of the trade-marks and the extent to which they have become known

[17] The Applicant argues that neither the words INSYNC or MAXIMO, alone or combined, are dictionary terms and that the Opponent failed to provide any evidence to show that the Mark is not inherently distinctive. By contrast, the Opponent contends that because the word INSYNC is the phonetic equivalent of the expression "in sync", the Mark is suggestive of the function and nature of the Applicant's wares. More particularly, the Opponent argues that INSYNC describes that the wares "function to keep the user's heartbeat synchronized, in order to avoid heart failure". I agree that there is a suggestive connotation attaching to the word INSYNC. As for the

word MAXIMO, it is reminiscent of the word “maximum”. However, in view that both INSYNC and MAXIMO are coined words, I consider the Mark to possess some measure of inherent distinctiveness.

[18] Since the word MASIMO is a coined word with no descriptive or suggestive connotation, I consider each of the MASIMO Marks to possess a greater measure of inherent distinctiveness than the Mark. In its written argument, the Opponent refers to Exhibit C to the Fleming affidavit as evidence that SET is the acronym for “Signal Extraction Technology”. In any event, I consider that SET, which is also an ordinary dictionary word, does not significantly increase the inherent distinctiveness of the mark MASIMO SET & Design. The *Canadian Oxford Dictionary* provides various definitions for the word SET, including that of a noun meaning “a number of things or persons that belong together or resemble one another or are usually found together”. In my view, the word SET suggests that the electronic sensors and monitors are sold together. I am also of the view that the design features of the trade-mark MASIMO SET & Design do not significantly increase its inherent distinctiveness. For one thing, the fanciful script and font employed are intrinsic to the words forming the essential part of the trade-mark. Moreover, I consider the design element, which I reproduce hereafter, to be evocative of the display of a vital sign, for example a patient’s pulse rate, on a monitor.



[19] As the strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use, I will now turn to the extent to which the trade-marks have become known in Canada.

[20] Insofar as the Mark is concerned, Mr. McDowall states that medical devices “have been sold in the United States of America and other countries *excluding* Canada” (my emphasis) [paragraph 15]. Mr. McDowall provides the volume and value of two models of the INSYNC MAXIMO devices sold in the United States (32,386 units/US\$698,732,000) and worldwide (34,711 units/US\$740,814,000) from 2005 to 2007 [paragraphs 15 and 17]. He files representative invoices for sales by the Opponent to hospitals in the United States [Exhibit “N”]

and for sales by the Opponent's subsidiaries to hospitals in Denmark, Germany, Spain and the United Kingdom [Exhibit "O"]. Clearly, the evidence introduced with respect to the sales of devices associated with the Mark does not relate to Canada. Hence, it is of no assistance to the Applicant's case. The printout from the Premarket Approval (PMA) Database for the two models of medical devices associated with the Mark [Exhibit "M"] is also of no assistance to the Applicant's case. Suffice it to say that there is no evidence that Canadians have accessed the PMA Database, which is seemingly maintained over the Internet by the U.S. Food and Drug Administration.

[21] Mr. McDowall states that the Applicant promotes the medical devices associated with the Mark on its website *www.medtronic.com* [paragraph 9]. He files product literature and press releases printed from the website [Exhibits "G" and "L"]. However, Mr. McDowall's statements that the website is accessible from Canada do not establish that the Applicant's website has been visited by Canadians [paragraphs 9 and 13]. There is no evidence of spill-over in Canada of "product literature on the INSYNC MAXIMO device for the United States of America market" [Exhibit "H"]. There is also no evidence of distribution in Canada of "product literature and marketing materials for the INSYNC MAXIMO device outside the United States of America market" [Exhibit "I"]. Likewise, there is no evidence directed to the circulation in Canada of the medical journal *EP Lab Digest* featuring a case study on the devices associated with the Mark [Exhibit "J"]. Finally, Mr. McDowall's statement [paragraph 12] that the website *www.eplabdigest.com* is accessible from Canada does not evidence the extent to which Canadians have visited the website where the case study was featured.

[22] Mr. McDowall states that the Mark and the Applicant's trade-mark MAXIMO sometimes appear in the same marketing materials [paragraph 34]. He provides copies of product literature where both the Mark and the trade-mark MAXIMO are present [Exhibit "CC"] and a photograph of a surgical cap bearing both the Mark and the trade-mark MAXIMO [Exhibit "DD"]. I note that the Applicant's associated trade-mark MAXIMO is being discussed later on as part of the additional surrounding circumstances. For the time being, suffice it to say that in the absence of evidence directed to the extent to which the aforementioned product literature and surgical caps have been distributed in Canada, the McDowall affidavit falls short of supporting the Applicant's

contention that the cross-marketing of the Mark with the MAXIMO devices sold in Canada assists in the Mark gaining recognition in Canada.

[23] Mr. Fleming asserts that the Opponent is a leading technology company that develops, licenses and markets advanced medical signal processing technologies and products for non-invasive patient monitoring” [paragraph 2]. I find the Opponent’s ownership of a number of patents in respect of its medical technologies to be of no assistance to its case in considering the extent to which the MASIMO Marks have become known in Canada [paragraph 3]. Further, I tend to agree with the Applicant’s argument that the list of some of the awards recently accorded the Opponent fails to show an association between the awards and the MASIMO Marks [Exhibit A]. In any event, there is no evidence to establish the extent to which Canadians have accessed the Opponent’s website *www.masimo.com* where the list of awards is posted. Likewise, there is no evidence establishing the extent to which Canadians have accessed the “news” portion of the website featuring the findings of a study on the MASIMO SET pulse oximetry published in *Acta Paediatrica* [Exhibit D], nor is there any evidence directed to the circulation of *Acta Paediatrica* in Canada.

[24] Mr. Fleming states that the Opponent’s MASIMO Marks have been continuously used in Canada since June 1999 in association with sensors and monitors for medical application [paragraph 5]. Mr. Fleming goes on to state that the Opponent’s sensors and monitors are sold throughout the medical community in Canada and files a sampling of invoices for Canadian sales [Exhibit B]. Mr. Fleming states that the Opponent’s website “provides detailed information” about the Opponent’s technologies and products and files some pages from the website [paragraph 6, Exhibit C].

[25] In terms of sales, Mr. Fleming attests that the Opponent has generated approximately US\$287.7 million in worldwide gross sales of “MASIMO products” for the five-year period of 2001-2005 [paragraph 9] and over US\$4 million in Canadian gross sales for the four-year period of 2002-2005 [paragraph 10]. While Mr. Fleming provides a breakdown of the annual Canadian gross sale figures of MASIMO products, he does not provide a breakdown per trade-mark.

[26] According to the Fleming affidavit, the Opponent has expended approximately US\$8.563 million in worldwide advertising for 2001-2005, including “trade shows, public

relations, collateral and promotional material” [paragraph 9]. As Canadian advertising figures are not readily available, Mr Fleming states that in the United States alone, the Opponent spent over US\$2 million in advertising in 2005 [paragraph 11]. Mr. Fleming provides examples of advertisement in four specialty magazines in 2005 [Exhibits E1 to E4]. Although Mr. Fleming states understanding that these magazines are distributed in Canada, his statement does not amount to reliable evidence of distribution in Canada. Even if his statement was to be afforded any weight, it would fall short of establishing the extent to which the specialty magazines identified in his affidavit would have been distributed in Canada in 2005.

[27] Notwithstanding its deficiencies, based on a fair reading of the Fleming affidavit as a whole, I am satisfied that the MASIMO Marks have become known in Canada. By contrast, the evidence furnished by the Applicant does not allow me to conclude that the Mark has become known in Canada.

The length of time each trade-mark has been in use

[28] The Mark has been applied for registration on the dual basis of proposed use in Canada and use and registration in the United States. Exhibits “A” through “F” to the McDowall affidavit, namely a picture of the wares, templates of box labels, excerpts from the manuals that accompany a customer’s first order of either of the two models of the devices, show use of the Mark in association with wares. Yet, as previously mentioned, Mr. McDowall excluded Canada from his assertions of use of the Mark. Thus there is no evidence that the Applicant has used the Mark in Canada further to the filing of the application.

[29] The trade-mark MASIMO SET & Design has been registered further to the filing of a Declaration of Use on April 14, 1999. The trade-mark MASIMO has been registered on the basis of its use and registration in the United States and further to the filing of a Declaration of Use on April 14, 1999.

[30] Mr. Fleming attests to the use of the MASIMO Marks in Canada since June 1999. He files “samples of use” of the MASIMO Marks on “product labels, packaging and point-of-sale displays” [Exhibit F]. I have to remark that these were filed in a bundle without any indication or mention of their specific nature. According to a footnote on the first three pages and the fifth

pages of Exhibit F, they depict box labels. Although the Applicant refers to pages four and six of Exhibit F as depicting labels, their respective footnote refers to “pouch”, which I understand to be packaging. I agree with the Applicant that pages seven to forty-seven of Exhibit F appear to be manuals; the remaining pages seem to be advertising (some in a foreign language).

[31] The Applicant argues that Mr. Fleming does not state that any of the materials were distributed in Canada, nor does he state that the labels accompany shipments of the wares. I would remark that while cross-examination of the affiant could have clarified the Applicant’s concerns, the Applicant elected to forgo cross-examination. Regardless of the lack of the aforementioned statements, the Applicant submits that the specimens purporting to show use of the MASIMO Marks are “irrelevant” to the present proceeding. Having considered the Applicant’s written and oral arguments, I note the following:

- Advertising: Use of the MASIMO Marks in advertising is not in itself sufficient to constitute use in association with wares [see *BMW Canada Inc. v. Nissan Canada Inc.* (2007), 60 C.P.R. (4th) 181 (F.C.A.)]. Further, it is not apparent to me what documents found in the exhibit are specimens of advertising at point of sale. In any event, it cannot be concluded from the evidence that the display of the MASIMO Marks in advertising at point of sale, if any, creates sufficient association between the wares and the MASIMO Marks at the time of transfer so as to constitute use pursuant to s. 4(1) of the Act. That being said, it is noteworthy that images in the advertising material show each of the MASIMO Marks on the wares themselves. Clearly the marking of the MASIMO Marks on the wares themselves constitutes use pursuant to s. 4(1) of the Act.
- Manuals: There is no evidence that manuals accompany the wares at the time of transfer. Once again, however, images in the manuals show each of the MASIMO Marks on the wares themselves.
- Labels: I disagree with the Applicant’s contention that the labels depicted on the first and second pages show trade-name use of MASIMO, not trade-mark use. The issue of whether there can be use as a trade-mark and trade-name at the same time depends on the circumstances [see *Road Runner Trailer Mfg. Ltd. v. Road Runner Trailer Co. Ltd.* (1984), 1 C.P.R. (3d) 443 (F.C.T.D)]. I accept the display

of MASIMO in design format adjacent to, and in larger size than, the Opponent's name and address, as trade-mark use.

- Packaging: The Applicant questions whether these have ever been in use in the trade because they appear to be "art proofs". Clearly, the Opponent filed photographic prints of the packaging. Still, clarification as to the use of the packaging could likely have been elicited by cross-examination, which the Applicant elected to forego.

[32] In the end, I am satisfied that the evidence furnished by the Opponent shows use of each of the MASIMO Marks, within the meaning of s. 4(1) of the Act, since June 1999. The sampling of invoices issued by the Opponent for the years 1999, 2001 to 2003 and 2006 corroborates Mr. Fleming's assertions of sales in Canada of sensors and monitors associated with the MASIMO Marks since 1999. I find it unnecessary to decide whether these invoices may also serve as evidence of use of the MASIMO Marks as I am satisfied that materials included in Exhibit F show use of the MASIMO Marks.

The nature of the wares, services or business and the nature of the trade

[33] When considering the nature of the wares and the nature of the trade of the parties it is the statement of wares in the application and the statement of wares in the registrations that govern the assessment of the likelihood of confusion under s. 12(1)(d) of the Act [see *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe, Inc. v. Bohna* (1994), 58 C.P.R. (3d) 381 (F.C.A.)].

[34] It is noteworthy that each party is referred to in the evidence as a "leading medical technology company" [Fleming affidavit, para. 2; Exhibit L to the McDowall affidavit].

[35] I find that there is clearly an overlap between the nature of the wares listed in the application and in the registrations in that they all consist of medical devices. Further, as rightly argued by the Opponent, both parties' wares are sophisticated medical devices used to prevent and detect life threatening situations. This supports the conclusion that the nature of the wares is very similar.

[36] I agree with the Applicant's submissions that the parties' wares are dissimilar in their appearance and are administered differently. The evidence demonstrates that the Applicant's wares are surgically implanted in heart failure patients by cardiac surgeons, whereas the Opponent's wares are worn externally to monitor vital signs. I further agree with the Applicant that any medical professional would not mix up the wares. However, the question is whether the use of the Mark is likely to lead to the inference that the wares associated with the Mark emanate from the same source as the wares of the Opponent. In other words, the differences in appearance and in the administration of the wares do not demonstrate that medical professionals would not perceive that both parties' wares emanate from the same source.

[37] The medical industry is the primary market for both the Applicant's and Opponent's wares. Mr. McDowall deposes that the Applicant's wares are sold exclusively to hospitals [paragraph 2]. Mr. Fleming deposes that the Opponent's wares are sold throughout the medical community, including to hospitals [paragraph 5]. Thus, the parties' wares would travel through the same channels of trade.

The degree of resemblance between the marks in appearance or sound or in the ideas suggested by them

[38] In most instances, the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested is the dominant factor and other factors play a subservient role in the overall surrounding circumstances [see *Beverly Bedding & Upholstery Co. v. Regal Bedding & Upholstery Ltd.* (1980), 47 C.P.R. (2d) 145, conf. 60 C.P.R. (2d) 70 (F.C.T.D.)].

[39] Although the first component of a mark is often considered more important for the purpose of distinction, when a word is common, descriptive or suggestive, the significance of the first component decreases [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.)]. As noted in *United Artists Corp. v. Pink Panther Beauty Corp.* (1988), 80 C.P.R. (3d) 247 at 263 (F.C.A.):

While the marks must be assessed in their entirety (and not dissected for minute examination), it is still possible to focus on particular features of the mark that may have a determinative influence on the public's perception of it.

[40] The Opponent contends that the trade-marks are highly similar in appearance, sound and ideas suggested. The Opponent more particularly submits that INSYNC “is highly suggestive or descriptive of the Applicant’s wares and as such would not serve to distinguish the source of the products despite being the first portion” of the Mark. The Opponent submits that the words MAXIMO and MASIMO, which are the most distinctive portions of the parties’ marks, “are extremely similar and difficult to distinguish”. By contrast, the Applicant contends that the trade-marks do not share any identical components. It submits that the trade-marks, when considered in their entirety, are different in appearance, sound and ideas suggested.

[41] The Applicant argues that the words MAXIMO and MASIMO “are phonetically different as the X is a harsh sound that definitively separates the word MAXIMO into three syllables” whereas the S “gives MASIMO a smooth fluid sound”. I do not agree. In my view, the inclusion of the letter “X” as opposed to the letter “S” does not significantly alter the pronunciation of the words. Specifically, I think it does not change the emphasis put on the various syllables when sounding the words (i.e. “MA-xi-mo” vs. “MA-si-mo”). In my view, there are important similarities in sound and in appearance between the words MAXIMO and MASIMO.

[42] Further, the Applicant argues that the words MAXIMO and MASIMO suggest very different ideas. Particularly, it argues that the word MAXIMO “conjures up emotions of grandness, maximum effects, strengths, results and capability” whereas the word MASIMO “conjures a continental European flare and sensibility”. To support the submissions as to the idea suggested by the word MASIMO, the Applicant’s agent noted in oral argument that MASIMO “sounds Italian”. Even if I accept that the word MASIMO sounds Italian, I am not prepared to find that it suggests a continental European flare and sensibility. Still, the word MASIMO is not reminiscent of the word “maximum” as is the word MAXIMO.

[43] I agree with the Opponent that the most distinctive portion of the Mark is MAXIMO. In my view, the similarities in appearance and in sound between the words MAXIMO and MASIMO outweigh any differences between the ideas suggested by the Mark and the Opponent’s trade-mark MASIMO when considered in their entirety. I recognize that the words INSYNC and SET result in differences in sound and in appearance when considering the Mark and the Opponent’s trade-mark MASIMO SET & Design. Yet, the word MASIMO is the most

distinctive portion of the Opponent's trade-mark. Owing to the similarities between the words MAXIMO and MASIMO, there is still a fair degree of resemblance between the Mark and the Opponent's trade-mark MASIMO SET & Design when considered in their entirety.

Other surrounding circumstances

[44] Given the parties' written and oral arguments, the following additional surrounding circumstances require consideration.

Applicant's trade-mark MAXIMO

[45] The print-out from the Canadian Trade-marks Database appended as Exhibit "P" to the McDowall affidavit shows that the trade-mark MAXIMO was registered on June 2, 2005 in association with "medical devices, namely, implantable cardioverter defibrillator, parts and fittings therefor" further to the filing of a Declaration of Use on May 10, 2005. From the outset, I note that its ownership of registration No. TMA641,264 for the trade-mark MAXIMO does not give the Applicant the automatic right to the registration of the Mark, no matter how closely the trade-marks may be related [see *American Cyanamid Co. v. Stanley Pharmaceuticals Ltd.* (1996), 74 C.P.R. (3d) 571 (T.M.O.B.); *Ralston Purina Canada Inc. v. H.J. Heinz Co. of Canada* (2000), 6 C.P.R. (4th) 394 (T.M.O.B.)].

[46] A significant part of the McDowall affidavit is directed to the use of the Applicant's trade-mark MAXIMO, including its use in Canada. The Applicant argues that the co-existence on the Canadian market of its trade-mark MAXIMO and of the MASIMO Marks without any instances of confusion is a surrounding circumstance supporting a finding of no confusion between the Mark and the MASIMO Marks.

[47] Mr. McDowall states that sales of devices associated with the trade-mark MAXIMO "have been substantial" in Canada, in the United States and internationally [paragraph 29]. Mr. McDowall provides the volume and value of the MAXIMO devices models MAXIMO VR and MAXIMO DR sold in Canada (762 units/US\$14,373,000) from fiscal year 2004 to the end of the third quarter of fiscal year 2007 [paragraphs 29 and 30]. Among the specimens of use appended to the McDowall affidavit are a picture of medical devices bearing the trade-mark

MAXIMO [paragraph 20, Exhibit “Q”] and excerpts of reference manuals which accompany a customer first order [paragraphs 21-22, Exhibits “S” and “T”]. Mr. McDowall also files representative invoices for sales of the MAXIMO devices to hospitals in Canada by the Applicant’s Canadian subsidiary, Medtronic of Canada Limited [Exhibit “AA”]. Mr. McDowall states that the Applicant “has controlled, and continues to control, the quality and character” of the MAXIMO devices sold by its Canadian subsidiary [paragraph 32]. I note that Medtronic of Canada Limited is one of several companies (presumably all subsidiaries of the Applicant) listed on the last page of the excerpts of the reference manuals.

[48] I disagree with the Applicant’s contention that the absence of evidence of confusion between its trade-mark MAXIMO and the MASIMO Marks is an important surrounding circumstance. For one thing, although the monetary value of Canadian sales appears substantial, it seems to me that the number of units sold over a three-year period (762) is not particularly significant given my understanding that the wares are sold to hospitals across the country. Moreover, the involvement of Medtronic of Canada Limited as to the use of the trade-mark MAXIMO is far from clear. In fact, it is unclear whether Medtronic of Canada Limited is merely a Canadian distributor for the Applicant’s wares or whether it is involved in manufacturing. Furthermore, there is ambiguity arising from Mr. McDowall’s statement as to the Applicant’s control over the quality and character of the MAXIMO devices sold by Medtronic of Canada Limited. If I were to understand that the Applicant is arguing that, because of its use of the trade-mark MAXIMO in Canada, the average consumer would likely think that the Mark is associated with the Applicant, as opposed to any other source, then it seems to me that this may have been a case which merited evidence to support the Applicant being able to benefit from such use of the trade-mark pursuant to the provisions of s. 50(1) of the Act, as the case may be. Corporate structure alone is not sufficient to establish the existence of a license within the meaning of s. 50(1) of the Act [see *MCI Communications Corp. v. MCI Multinet Communications Inc.* (1995), 61 C.P.R. (3d) 245 (T.M.O.B.)]. In the end, it could be that the trade-mark MAXIMO is associated with Medtronic of Canada Limited rather than with the Applicant.

[49] I have to remark that the absence of evidence of confusion between the trade-mark MAXIMO and the MASIMO Marks in Canada does not relieve the Applicant from its burden of proof in the present proceeding. The burden is on the Applicant to demonstrate the absence of a

likelihood of confusion between the Mark and the MASIMO Marks. There is no need for the Opponent to prove instances of confusion. An adverse inference can be drawn from the lack of evidence of actual confusion only if the marks have coexisted on a substantial level for a long period of time [see *Mattel, Inc.*, supra].

Coexistence of the parties' trade-marks in the United States

[50] I am not affording any significance to the Applicant's argument that at the filing date of the statement of opposition, the Mark and the Opponent's trade-mark MASIMO had co-existed in the United States for at least 1.5 years without any reported instances of confusion. Suffice it to say that evidence of actual confusion in the United States was not called for. In any event, any alleged lack of confusion in the United States might be explained on the basis of factors that exist in that country but do not exist here, for example the state of the marketplace.

Licensing relationship between the parties

[51] The Opponent submits that the fact that the Applicant is a licensee of the Opponent's MASIMO SET technology is a factor that weighs heavily in its favour. Insofar as the evidence of a licensing relationship is concerned, the Opponent refers to a statement found on its website [second page of Exhibit C to the Fleming affidavit]. The Opponent further submits at page 13 of its written argument:

This licensing relationship was in existence in 2006 [as evident from the Orange County Business Journal in Exhibit A to the Fleming affidavit]. The relationship still subsists as can be seen by the listing of Medtronic on the Opponent's website as a licensee of the Opponent's technology (the Opponent's website even includes a link to the Applicant's website) [see Fleming Affidavit C page 12].

[52] I would remark that at the oral hearing, the agent for the Applicant seemingly recognized the existence of a licensing relationship between the parties. Nevertheless, I find that the exhibits to the Fleming affidavit do not constitute reliable evidence of a licensing relationship between the parties at any time whatsoever. Thus, I find it would not be appropriate to afford any significance to the licensing relationship alleged by the Opponent. In any event, given my discussion of the nature of the wares and the nature of the trade, my finding on this additional circumstance does not impact the overall outcome of the s. 12(1)(d) ground of opposition

Conclusion on the likelihood of confusion

[53] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. Having considered all the surrounding circumstances, in particular the inherent distinctiveness of the trade-marks, the extent to which they have become known, the nature of the wares, the nature of the trade and the degree of resemblance between the trade-marks when considered in their entirety, I am not satisfied that the Applicant has met its burden to show that there is no reasonable likelihood of confusion between the Mark and each of the MASIMO Marks. As per my discussion above, I am not satisfied that any significance should be afforded to the use of the Applicant's trade-mark MAXIMO as an additional circumstance. Even if the use of the trade-mark MAXIMO was to be afforded any weight as an additional circumstance, in my opinion it would not be significant enough to shift the balance of probabilities in favour of the Applicant. In other words, even if I was wrong in not considering the use of the trade-mark MAXIMO as a surrounding circumstance, the overall outcome in the present case would be the same.

[54] In view of the above, I find that the ground of opposition based upon s. 12(1)(d) of the Act is successful.

Entitlement pursuant to s. 16(2)(a) and s. 16(3)(a) of the Act

[55] Despite the onus resting upon the Applicant, the Opponent has the initial onus of proving that its MASIMO Marks were being used at the material date, which in this case is the priority filing date of the application (December 16, 2003), and had not been abandoned at the date of advertisement of the application (October 26, 2005) [s. 16(5) of the Act].

[56] I am satisfied that the Opponent has discharged its evidentiary burden with respect to each of the non-entitlement grounds of opposition. As the difference in material dates does not have a significant impact on my previous analysis of the surrounding circumstances under the registrability ground of opposition, I find that the Applicant has not discharged its onus to establish, on a balance of probabilities, that the Mark was not confusing with each of the Opponent's MASIMO Marks at the material date. Therefore, I find that the non-entitlement grounds of opposition based upon s. 16(2)(a) and s. 16(3)(a) are successful.

Remaining Grounds of Opposition

[57] As I have found in favour of the Opponent under more than one ground of opposition, I see no need to address the grounds of opposition based upon non-distinctiveness of the Mark and non-conformity to s. 30(a) and s. 30(i) of the Act.

Disposition

[58] Having regard to the foregoing, pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application pursuant to s. 38(8) of the Act.

Céline Tremblay
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office