

IN THE MATTER OF AN OPPOSITION
by Loss Prevention Services Limited
to application No. 698,787
for the trade-mark **LOSS PREVENTION GROUP & DESIGN**
filed by Loss Prevention Group G.P. Inc.

On February 12, 1992, Loss Prevention Group G.P. Inc. filed an application to register the trade-mark **LOSS PREVENTION GROUP & DESIGN**. The application was filed based on use in Canada since September 1, 1989. The mark was advertised in the Trade-marks Journal on March 31, 1993, for the wares "Manuals and training cassettes" and the services "Advising businesses on setting up systems and procedures to enable those businesses to better combat loss through theft and otherwise". I have reproduced the mark below :

Loss 
Prevention
Group g.p.

The opponent, Loss Prevention Services Limited, filed a statement of opposition on August 30, 1993, which was forwarded to the applicant on October 8, 1993. A revised statement of opposition was filed on September 7, 1994 and accepted by the Opposition Board on December 16, 1994. The first ground of opposition in the revised statement of opposition is that the applicant is not the person entitled to register the proposed mark in Canada, since at the claimed date of first use of the mark, September 1, 1989, the proposed mark was confusing with the opponent's trade-marks and trade-names LOSS PREVENTION, LOSS PREVENTION SERVICES and LOSS PREVENTION SERVICES LIMITED which it had used in Canada since at least as early as 1972. The second ground of opposition is that the mark is not distinctive, having regard to the use made by the opponent of the trade-marks and trade-names referred to above, and the fact that the applicant's trade-mark is not adapted to distinguish the wares and services of the applicant from those of others. The third ground is that the application does not contain a statement in ordinary commercial terms of the specific wares or services in association with which the trade-mark has been used, under Section 30(a) of the Trade-marks Act, R.S.C. 1985, c. T-13 (hereinafter, the Act). The fourth ground is that the application does not conform to the requirements of Section 30(i) of the Act, in that the applicant cannot have been satisfied that it is entitled to use the trade-mark in Canada because of its knowledge of the use of the trade-marks and trade-names by the opponent as described above.

The applicant filed a counter statement generally denying the opponent's

allegations. The opponent filed as evidence the affidavit of Ronald C. Harrington sworn September 7, 1994, and the affidavit of Indu Patel sworn March 27, 1995. The applicant filed the affidavit of Richard Wayne Green sworn June 6, 1995. As reply evidence, the opponent filed the affidavit of Ronald C. Harrington sworn December 21, 1995. Both parties filed written submissions and an oral hearing was conducted at which both parties were represented.

At the outset of the oral hearing the opponent requested leave to introduce a further ground of opposition under Section 30(b). I am in agreement that there are circumstances which may permit the raising of a new ground of opposition at this stage of the proceedings (see **Swift & Co. v. Monarch Fine Foods Co. Ltd.** (1983), 79 C.P.R. (2d) 69 at pp. 73-74 (TMOB)). However, a ruling on this same issue had already been made by the Board in a letter dated February 26, 1997. As I have not found the opponent's arguments to this end to be compelling, I have therefore refused this request on the same grounds as were the basis for the previous refusal, namely that the subject amendment should have been made soon after the applicant filed its evidence. Further, I was not persuaded by the opponent's suggestion that I consider this ground as a 'legal issue', not requiring an amendment to the pleadings. In effect, I was being asked to consider an unpleaded ground, which I cannot do (see **Imperial Developments Ltd. v. Imperial Oil Limited** (1984) 79 C.P.R. (2d) 12 at p. 21 (F.C.T.D.)).

The first ground is with respect to the issue of non-entitlement under Section 16 of the Act. The opponent has satisfied the burden on it to evidence use of its trade-mark and trade-name LOSS PREVENTION SERVICES LIMITED prior to the applicant's date of first use and non-abandonment of that mark and name as of the applicant's advertisement date, as required by Sections 16(5) and 17(1). However, the opponent did not clearly show use of the words LOSS PREVENTION as a trade-mark or trade-name. It would also appear that the words LOSS PREVENTION SERVICES were being used only within pamphlets, without any indication that they should be considered as a trade-mark or trade-name. As a result, the issue of entitlement will be decided between the opponent's trade-mark and trade-name LOSS PREVENTION SERVICES LIMITED, and the applicant's mark **LOSS PREVENTION GROUP & DESIGN**.

The relevant date for considering the circumstances respecting the issue of entitlement is as of the applicant's claimed date of first use, September 1, 1989, in accordance with the wording of Section 16(1) of the Act. As the issue of entitlement is in effect a test of confusion, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion. In applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including

those specifically set forth in Section 6(5) of the Act:

- 6.(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including
- (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
 - (b) the length of time the trade-marks or trade-names 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 or trade-names in appearance or sound or in the ideas suggested by them.
- R.S., c. T-10, s. 6.

The opponent's trade-mark and trade-name LOSS PREVENTION SERVICES LIMITED is descriptive of the opponent's services, which are directed at the "prevention of loss" through the provision of private investigators, and through related security services. As a result, this mark and name is descriptive and can only be said to have minimal inherent distinctiveness. The applicant's mark **LOSS PREVENTION GROUP & DESIGN** is weak since it also describes an organization directed towards the "prevention of loss". It is notable that the applicant disclaimed the words LOSS, PREVENTION and GROUP, which may be interpreted as an admission that these words are descriptive, or at least not distinctive of the applicant (see Andres Wines Ltd. v. Les Vins La Salle Inc. (1984), 3 C.P.R. (3d) 272 at p. 275 (TMOB)). As a result, this mark too can only be said to have minimal inherent distinctiveness. Neither mark can be said to be obviously more inherently distinctive than the other.

The applicant did not incorporate and "engage in providing services" until September 18, 1989, more than two weeks after its claimed date of first use. As a result, the applicant's mark was not known as of the relevant date. The opponent attests to use of its trade-name and trade-mark in Canada since the mid-1970s. Revenues by the opponent in association with investigation and security services and related consulting services were \$450,000 in 1988 and \$600,000 in 1989. Advertising expenditures exceeded \$110,000 from 1985 to 1994, and I have inferred that at least some of this amount must have been spent before the relevant date. Thus, as of the material time, the opponent's trade-name and trade-mark LOSS PREVENTION SERVICES LIMITED had become better known in Canada. The length of time the marks and name have been in use also favors the opponent.

The opponent's services are described by Mr. Harrington as "private investigation and security services" and include undercover investigations, pre-employment and background checks, monitoring and surveillance, security consulting and training. These services would appear to be identical or at least related to the applicant's "Advising businesses on setting up systems and procedures to enable those businesses to better combat loss through theft and otherwise". The channels of trade overlap, as there is evidence that the applicant and opponent provide similar services to competing stores. The

applicant's wares "Manuals and training cassettes" would not at first glance appear to be related to the opponent's services. Nevertheless, training seminars are performed by the opponent, and it may be expected that manuals or cassettes would be distributed by the opponent as part of these seminars. Although no evidence was filed by the opponent in this regard, the applicant's evidence shows that the applicant's "manuals" deal with "loss prevention" subjects. I have inferred that the applicant's "training cassettes" would cover similar subjects. As evidence of actual use is relevant in interpreting an application (see **McDonald's Corp. et. al. v. Coffee Hut Stores Ltd.** (1996) 68 C.P.R. (3d) 168 at p. 169 (FCA)), the applicant's wares would also appear to be related to the opponent's services.

The applicant's mark and the opponent's mark and trade-name bear some degree of visual and phonetic resemblance, the first (and most dominant) component LOSS PREVENTION being common to both marks. It has been said that no single trader should be able to enforce a wide ambit of protection around such descriptive words. On the other hand, the remaining portion of both marks are not very distinctive and it is the first words or syllables of a trade-mark that are most important when considering the issue of confusion (see **Conde Nast Publications Inc. v. Union des Editions Modernes** (1979), 46 C.P.R. (2d) 183 at p. 188 (FCTD)).

The applicant submitted that the significance of any resemblance between the marks is mitigated by the existence of at least two other entities which use the name LOSS PREVENTION in their name while carrying on similar security services. As no evidence was shown that these entities are active in the marketplace, I can give little weight to these allegations. In fact, in spite of the applicant's assertions, no evidence was filed by either party which would allow me to conclude that the words LOSS PREVENTION are commonly used within the industry, or are words used by traders to designate their services. The applicant's reliance on the decisions in **Questor Commercial Inc. v. Discoverer Services Ltd.** (1979), 46 C.P.R. (2d) 58 (FCTD) and **Molson Companies Ltd. v John Labatt Ltd./John Labatt Ltee** (1994), 58 C.P.R. (3d) 527 (FCA) is unhelpful, in that an abundance of evidence was filed in these cases in order that conclusions could be made with respect to the "generic" nature of certain words in the marks at issue. Such is not the case here.

The opponent alleges that incidents of confusion have occurred between the marks. Indu Patel states that a cheque was inadvertently made payable to the opponent when it should have been sent to the applicant. However, this incident occurred after the material dates. The Harrington affidavit also relates an incident of confusion whereby licence documents intended for the applicant were sent to the opponent by the Ontario Provincial Police Records and Registration Branch. This incident also occurred after the material date in respect of entitlement but prior to the material date in respect of distinctiveness. The

opponent asserts that circumstances arising after a material date may be relevant to the extent that one may draw inferences as to the situation existing as of the material date (see **Speedo Knitting Mills Ltd. v. Beaver Knitwear (1975) Ltd.** (1985), 4 C.P.R. (3d) 176 at pp. 184-185 (TMOB)). In my opinion, evidence of actual confusion after the material date would be admissible, with the weight to be given to this evidence to depend on the situation (see **Le Maur Inc. v. Prodon Industries Ltd.** (1971), 2 C.P.R. (2d) 114 at p. 116 (SCC)). In any event, it is likely that these incidents were accidental and not the result of someone knowing both the applicant and the opponent and their respective services and inferring that the services associated with the applicant's trade-mark and those associated with the business carried on under the opponent's trade-name and trade-mark were performed by the same person. On the other hand, these incidents do suggest a high degree of resemblance between the two marks, and could be seen as evidence of mistake rather than evidence of actual confusion.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. Normally, small differences should be sufficient to distinguish between trade-marks of low distinctiveness. However, the words LOSS PREVENTION dominate both marks, even when they are considered as a whole. In view of my conclusions above, and particularly in view of the virtually identical services carried on by the parties, and the applicant's wares being related to the opponent's services, I find that the applicant has failed to satisfy the onus on it to show that there was no reasonable likelihood of confusion. The ground of prior entitlement based on the opponent's trade-name and trade-mark LOSS PREVENTION SERVICES LIMITED is therefore successful.

The second ground, the issue of distinctiveness must be considered as of the date the statement of opposition was filed namely August 30, 1993 (see **Cellular One Group, a partnership v. Brown, now standing in the name of Bell Mobility Cellular Inc.** (1996), 69 C.P.R. (3d) 236 (TMOB)). In my view, the circumstances existing at this date are somewhat different from those I reviewed in assessing the first ground. Not only was the applicant using its mark by this date, but the applicant's revenues and advertising expenditures in association with this mark would appear to have exceeded those of the opponent. It could be inferred from this that the applicant was better known than the opponent by the relevant date. In spite of this, I do not believe that my findings with respect to confusion between the applicant's mark and the opponent's mark and trade-name would differ materially from the result of my analysis for the first ground of opposition above.

The third ground of opposition is under Section 30(a) of the Act, namely that the applicant's statement of services "Advising businesses on setting up systems and procedures to enable those businesses to better combat loss through theft and otherwise"

does not constitute a statement in ordinary commercial terms of the specific services in association with which the mark has been used, as it includes the phrase “and otherwise”.

While the legal burden is on the applicant to show its compliance with the provisions of Section 30 of the Act, there is an initial burden on the opponent to produce sufficient admissible evidence in support of the allegation of non-compliance that has been pleaded (see **Joseph E. Seagram & Sons Ltd. v. Seagram Real Estate Ltd.** (1984), 3 C.P.R. (3d) 325 at p. 329 (TMOB); and **John Labatt Ltd. v. Molson Companies Ltd.** (1990), 30 C.P.R. (3d) 293 (FCTD)).

Although no evidence has been filed on point, I find that the opponent’s initial burden has been met. The opponent states in his written argument that:

By including the words “and otherwise” at the end of the statement, the Applicant has attempted to describe the services of “Advising businesses on setting up systems and procedures to enable those businesses to better combat losses” not only as a result of theft but for any reason whatsoever.

The opponent has met the burden by drawing to my attention the problematic nature of the phrase “and otherwise”.

The Chairman of the Opposition Board stated in **Sentinel Aluminium Products Co. Ltd. v. Sentinel Pacific Equities Ltd.** (1983), 80 C.P.R. (2d) 201 (TMOB) that Subsection 30(a) of the Act requires a measure of specificity in respect of services covered in a trademark application where it is reasonable to expect that a more specific statement of services in ordinary commercial terms can be provided. It is apparent from a review of the applicant’s evidence that this description of services could have been much more specific. The applicant’s advertisements indicate that they are involved in “Investigation & Situation Evaluation; Retail Shopping & Detection Services; Consulting & Training Services; Security & Surveillance; Equipment Sales & Rentals; and In-House & Industry Seminars.” Any of these services could have been included in the statement of services in order to more specifically define the applicant’s services.

In my opinion, the use of the phrase “and otherwise” overly broadens the description of the services. The Webster’s Third New International Dictionary defines otherwise as “1: in a different way or manner”. The applicant’s statement of services concludes with a phrase that renders the entire statement vague, such that the aforementioned losses could relate to physical losses through theft, and “different ways or manners” such as fire, flooding, or economic losses due to poor forecasting or bad management.

The burden is on the applicant to show that its application is in compliance with Section 30. As the applicant did not file any evidence to counter this allegation, or take the opportunity to amend the application at any time during these proceedings, I find that this

ground of opposition is successful in respect of the applicant's services.

The final ground of opposition is under Section 30(i) of the Act, the opponent alleging that the applicant could not have been satisfied that it was entitled to use the trade-mark in Canada because of the applicant's knowledge of the opponent's trade-marks and trade-names. As no evidence was filed by the opponent indicating that the applicant had any knowledge of the opponent's marks or trade-names at the relevant date, this fourth ground is unsuccessful.

Having been delegated by the Registrar of Trade-marks pursuant to Section 63(3) of the Act, I refuse the applicant's application pursuant to Section 38(8) of the Act.

DATED AT HULL, QUEBEC, THIS 4TH DAY OF NOVEMBER, 1997.

Peter C. Cooke,
Member,
Trade-marks Opposition Board