

O P I C



C I P O

LE REGISTRAIRE DES MARQUES DE COMMERCE

THE REGISTRAR OF TRADE-MARKS

Citation: 2018 TMOB 46

Date of Decision: 2018-05-10

IN THE MATTER OF AN OPPOSITION

High-Tech Medical Imaging Inc.

Opponent

and

Hitek Medical Imaging Inc.

Applicant

1,677,021 for HMI CLINICS

Application

[1] High-Tech Medical Imaging Inc. (the Opponent) opposes registration of the trade-mark HMI CLINCS (the Mark) in the name of Hitek Medical Imaging Inc. (the Applicant).

[2] For the reasons that follow, I find that the application should be refused. The Applicant has failed to show that it was satisfied of its entitlement to use the Mark in Canada, as required by section 30(i) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act). Further, it has failed to show its entitlement to use the Mark in Canada as per section 16(3)(a) of the Act.

FILE HISTORY

[3] The Applicant filed an application to register the Mark on May 14, 2014. The application is based upon proposed use and covers the following goods and services:

GOODS

(1) Clothing, namely scrubs, uniforms, t-shirts.

SERVICES

(1) X-ray imaging; radiology; ultrasound testing; bone medical density testing; medical clinics; medical imaging; medical laboratory services; medical diagnostic services; medical research services; medical testing services; pharmacy services; chiropractic services; dentistry services; optician services; optical services; speech services; hearing services; hearing aid services; hearing aid testing; operation of medical and integrated healthcare centres; operation of individual and family wellness centres; physician services; nursing services; laboratory services; social work services; psychological and psychiatric services; mental health services; retail store services featuring medical devices, eyewear and eyewear accessories, hearing aids and hearing aid accessories, pharmaceuticals, personal care products, stationery, sundries, clothing, food products, publications; counselling services namely genetic counselling, psychiatric and psychological counselling, nutritional counselling; operation of a website in the area of healthcare.

[4] The application for the Mark was advertised for opposition purposes in the *Trade-marks Journal* dated September 2, 2015.

[5] On October 14, 2015, the Opponent opposed the application. The two grounds of opposition can be summarized as follows:

- The Mark is not registrable in view of sections 38(2)(a) and 30(i) of the Act because the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the goods and services set out in the application. The applicant knew, or should have known, of the Opponent's prior use of and rights in and to the Mark in Canada. The Applicant was aware, or should have been aware, that the Applicant's use of the proposed Mark was not authorized by the Opponent.
- The application is not registrable in view of sections 38(2)(c) and 16(3)(a) of the Act because the Applicant is not the person entitled to register the Mark. In particular, at all material times, the proposed Mark was confusing with, or likely to be confusing with, the Opponent's HMI and HITEK MEDICAL IMAGING trade-marks which had been previously used in Canada in association with similar goods and services.

[6] On December 22, 2015, the Applicant filed a counter statement, denying the allegations made in the statement of opposition.

[7] On April 19, 2016, the Opponent filed its evidence, namely the affidavit of Shohreh Pour Salimi, sworn April 19, 2016. The affiant was not cross-examined.

[8] The Applicant filed no evidence.

[9] Neither party filed written representations or attended a hearing.

ONUS AND MATERIAL DATES

[10] 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 furnish sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [*John Labatt v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298]. The material dates that apply to the grounds of opposition are as follows:

- sections 38(2)(a)/30(i) - the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475]; and
- sections 38(2)(c)/16(3)(a) - the filing date of the application [see section 16(3) of the Act].

THE EVIDENCE

Affidavit of Shohreh Pour Salimi

[11] Ms. Salimi is the President of the Opponent (para 1). The Opponent is engaged in the operation of a medical imaging clinic located in Toronto. It provides diagnostic imaging services including x-rays, ultrasounds and bone mineral density tests (para 3). The Opponent, co-owned by Ms. Salimi and her husband, Pejman Nourian, was incorporated in July 2013 (para 4, Exhibit A).

[12] Imaging Pro Ltd. was an Ontario corporation that dissolved on July 9, 2014. Sam El-Halabi was the sole director and president of Imaging Pro Ltd. (para 5, Exhibit B).

[13] On or about June 2013, Ms. Salimi began negotiations with Mr. El-Halabi to purchase the assets of Imaging Pro Ltd. (para 6).

[14] Unbeknownst to Ms. Salimi or the Opponent, the Applicant was incorporated in March 2013. Mireille El-Halabi, Mr. El-Halabi's wife, is president and a director of the Applicant. The existence of the Applicant was never disclosed to Ms. Salimi during her negotiations with Mr. Halabi (para 7). Attached as Exhibit C is a copy of the Applicant's Corporation Profile Report from the Province of Ontario's Ministry of Government Services.

[15] By an agreement of purchase and sale dated July 8, 2013, Ms. Salimi and her husband purchased from Imaging Pro Ltd. "all the assets of the business situated at 245 Dixon Road, Unit 107, Toronto, Ontario" (para 8). Attached as Exhibit D to the affidavit is a copy of the agreement.

[16] As per Schedule B of the agreement, \$100,000 of the purchase price for the business was allocated towards the "Goodwill" of the business (para 9).

[17] The business in question – situated at 245 Dixon Road in Toronto – was the operation of a medical imaging clinic providing diagnostic imaging services, including x-rays, ultrasounds, and bone mineral density tests (para 10).

[18] By way of letter dated November 4, 2013, the Director of Independent Health Facilities for the Ministry of Health and Long-Term Care of Ontario (the Ministry) consented to the transfer of the license to provide "General Ultrasound, Radiography services" at the clinic from Imaging Pro Ltd. to the Opponent. In the letter, the clinic is identified as "Hitek Medical Imaging Inc", located at 245 Dixon Road in Toronto (para 11). Attached as Exhibit E is a copy of the transfer letter.

[19] Pursuant to a letter from the Ministry dated December 3, 2013, the license transfer was effective as of October 24, 2013 (para 12). Attached as Exhibit F is a copy of the confirmation letter.

[20] On October 24, 2013, the Opponent began operating the clinic, and began advertising its services to the public (para 13).

[21] The sale of Imaging Pro Ltd.'s assets to the Opponent included three signs and a brochure (paras 14 to 17).

[22] The first sign was a standing sign situated inside the clinic. The top of the standing sign displays the HMI/HITEK logo, consisting of the letters HMI, a design element with a stylized person and the words "HITEK MEDICAL IMAGING", shown below:



[23] The sign was used by the Opponent to advertise its services as early as October 24, 2013 (para 14).

[24] The second sign was an outer sign mounted above the doors to the clinic. This sign also featured the HMI/HITEK logo and was used by the Opponent to advertise its services as early as October 24, 2013 (para 15).

[25] The third sign was mounted on a wall inside the clinic, but visible from the outside of the clinic through the glass front doors. This sign also displayed the HMI/HITEK logo (para 16).

[26] Attached as Exhibits G, H and I are photographs of each sign, respectively, taken in March 2015.

[27] The sale of Imaging Pro Ltd.'s assets also included printed brochures and the right to use such brochures in advertising the Opponent's business. The brochures feature the HMI/Hitek logo and have been used by the Opponent to advertise its services since as early as October 23, 2013. Attached as Exhibit J is a copy of the brochure.

[28] On or about January 3, 2014, the Opponent also began advertising its services on its website, *www.hitekmedicalimaging.ca* (para 18). Attached as Exhibit K is a printout of the home page of the website as it appeared on April 16, 2016.

[29] The Opponent registered “HITEK MEDICAL IMAGING” as a business name in Ontario on January 23, 2014 (para 19). Attached as Exhibit L to the affidavit is a copy of the Business Names Report for HITEK MEDICAL IMAGING from Ontario’s Ministry of Government Services.

[30] According to Ms. Salimi, the Agreement of Purchase and Sale between the Opponent and Imaging Pro Ltd. included the purchase of the trade name and goodwill of Imaging Pro Ltd.’s business. Ms. Salimi states that the trade name of the business was “Hitek Medical Imaging” and that the goodwill was built around that name, the acronym HMI and the HMI/HITEK logo (para 20).

[31] Ms. Salimi attests that the Applicant could not have been satisfied at the time of the filing of its trademark application that it was entitled to use the Mark in association with the subject goods and services. According to Ms. Salimi, Mr. and Mrs. El-Halibi, as the controlling minds of both Imaging Pro Ltd. and the Applicant, were fully aware that the Opponent had purchased the rights to the use of, and the goodwill associated with, the various signs and brochures advertising the services of the clinic. Such signs included the acronym HMI and the Opponent has been using the acronym HMI to advertise its services since at least as early as October 24, 2013 (para 21).

[32] Ms. Salimi further states that any use of the Mark by the Applicant in association with the proposed goods and services is confusing with the Opponent’s “pre-existing and continued use of the acronym HMI in association with the business carried out” by the Opponent (para 22).

SECTION 30(I) GROUND OF OPPOSITION

[33] The first ground of opposition is that the application does not comply with section 30(i) of the Act. The Opponent pleads:

The Proposed Trade-mark is not registrable in view of subsections 38(2)(a) and 30(i) of [the Act] because the Applicant could not have been satisfied as at the date the Application was filed as to the Applicant's entitlement to use the Proposed Trade-mark in Canada in association with the wares and services set out in the Application. The Applicant knew, or should have known, of the Opponent's prior use of and rights in and to the Proposed Trade-mark in Canada. The Applicant was aware, or should have been aware, that at the time of filing the Application, its use of the Proposed Trade-mark was not authorized by the Opponent.

[34] Section 30(i) of the Act requires an applicant to indicate as part of its application that it is satisfied that it is entitled to use the trade-mark in Canada in association with the listed goods and services. The statement provided by section 30(i) purports to be evidence of the applicant's good faith in submitting its application [*Cerverceria Modelo SA de CV v Marcon* (2008), 70 CPR (4th) 355 (TMOB)]. Where an applicant has provided the statement required by section 30(i), this ground of opposition should only succeed in exceptional cases, such as when there is evidence of bad faith on the part of an applicant [*Sapodilla Co Ltd v Bristol Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155].

[35] In the present case, the Opponent's pleading essentially amounts to an allegation of bad faith. In paragraph 3 of the statement of opposition, the Opponent indicates that it is engaged in the business of providing medical imaging services and that its clinic is called "HITEK MEDICAL IMAGING". The Opponent further indicates that its clinic was purchased from Imaging Pro Ltd. on July 8, 2013 and that the Opponent has been in continuous operation ever since. In paragraph 5(a) of the statement of opposition, the Opponent indicates that the Applicant should have been aware at the time of filing its application, that its use of the Mark was not authorized by the Opponent. For these reasons, the Opponent asserts that the Applicant could not have been satisfied of its entitlement to use the Mark in Canada at the time that it filed its application.

[36] To meet its evidential burden, an opponent need only produce evidence to support its objections or adduce evidence from which it may reasonably be concluded that the facts alleged to support this ground of opposition exist [*Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd*, 2014 FC 323 at para 34]. In my view, the Opponent has met its evidential burden with respect to this ground of opposition.

[37] Ms. Salimi's evidence described above is sufficient to call into question whether the Applicant could have truthfully stated that it was entitled to use the Mark in Canada in its application. It results in the inference that the principals of the Applicant transferred rights to Ms. Salimi in July 2013. The Agreement of Purchase and Sale between the Opponent and Imaging Pro Ltd. clearly included goodwill. Ms. Salimi states that this included the purchase of the trade name and goodwill of the business. She states that the trade name of the business was Hitek Medical Imaging, and the goodwill was built around the name "Hitek Medical Imaging", the acronym "HMI" and the HMI/HITEK Design logo. This evidence was not tested on cross-examination and the Applicant has failed to adduce any of its own evidence, nor made any representations to support a conclusion that the Applicant maintained any rights to use of HMI, on its own or otherwise. It has therefore failed to meet its legal onus in respect of this ground. Accordingly, this ground of opposition is successful.

SECTION 16(3)(A) GROUND OF OPPOSITION – NON-ENTITLEMENT

[38] In view of Ms. Salimi's evidence described above, I am also satisfied that the Opponent has met its initial burden of showing use of the trade-marks HMI and HITEK MEDICAL IMAGING prior to May 14, 2014, the filing date of the subject application. In particular, the evidence shows that the HMI mark appeared as part of the HMI/HITEK logo on signage outside and inside the clinic operated by the Opponent since October 24, 2013. Although Ms. Salimi does not provide information regarding the extent of the Opponent's business (*e.g.*, revenues, advertising expenditures, number of customers), she does refer to the Opponent's "continuing" business and the subject signs were still present as of March 2015.

[39] The Opponent having met its initial burden of proof, I must now determine, on a balance of probabilities, if the Mark is likely to cause confusion with the Opponent's HMI trade-mark. I have chosen to focus on the Opponent's HMI trade-mark, as it has greater resemblance to the Mark than the Opponent's HITEK MEDICAL IMAGING mark.

[40] 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 goods or

services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

[41] In deciding this issue, section 6(2) of the Act requires consideration of all the relevant surrounding circumstances, including those enumerated in section 6(5): the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time the trade-marks have been in use; the nature of the goods, services, or business; the nature of the trade; and the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them.

[42] These enumerated factors need not be attributed equal weight [*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, 49 CPR (4th) 321, and *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361].

Inherent Distinctiveness

[43] Generally, trade-marks consisting of a simple combination of letters or initials are considered to be “weak” marks with a low degree inherent distinctiveness [see *GSW Ltd v Great West Steel Industries Ltd* (1975), 22 CPR (2d) 154 (FCTD) at 163-164; *Alfred Grass Gesellschaft mbH Metallwarenfabrik v Grant Industries Inc* (1991), 47 FTR 231 (FCTD)].

[44] In the present case, neither of the parties’ marks are particularly inherently distinctive, as they both consist of a combination of letters forming an acronym for High-tech (or Hitek) Medical Imaging. The CLINICS portion of the Mark is an ordinary dictionary word and is highly suggestive, if not descriptive, of the applied-for services. It therefore does not significantly add to the inherent distinctiveness of the Mark.

[45] Thus, the parties’ trade-marks have a roughly equivalent low degree of inherent distinctiveness.

Extent Known and Length of Time in Use

[46] With respect to the Opponent's HMI mark, it is not clear to what extent it has become known. However, there is some evidence of use of the HMI mark by the Opponent since at least as early as early as October 23, 2013.

[47] With respect to the Applicant's Mark, there is no evidence before me as to the extent that the Mark has become known and I note that the Mark is applied for on a proposed use basis.

[48] As such, the extent known to which the parties' trade-marks have become known and the length of time for which they have each been in use nominally favors the Opponent.

Nature of the Goods, Services, Business and Trade

[49] At least some aspects of the parties' businesses are of the same nature. There is direct overlap in at least some of their services and a close relationship or connection between others, as they are all generally in the healthcare field or somehow relate thereto.

[50] With respect to the applied-for goods, the Opponent's evidence does not make reference to sales or use of the Mark in association with any clothing goods. However, in view of the nature of the applied-for clothing goods, namely scrubs, uniforms and t-shirts, I accept that there is likely some relationship here as well, given the nature of the Opponent's business.

[51] Given that there is either direct overlap or some connection or relationship between the parties' goods and services, and in the absence of any evidence to the contrary, I consider it reasonable to infer that there is also some potential for overlap in the parties' channels of trade.

Degree of Resemblance

[52] There is a very high degree of resemblance between the parties' marks in appearance, sound and the ideas suggested, as the first portion of the Mark encompasses the whole of the Opponent's HMI mark and the latter portion is merely descriptive of the nature of the services both parties are providing.

[53] This factor therefore favours the Opponent.

Conclusion

[54] The parties' marks are highly similar. The Mark incorporates the whole of the Opponent's HMI trade-mark. Only the Opponent has filed any evidence of use of its trade-mark and there is no evidence that the Applicant has used or acquired any reputation in the Mark. There is direct overlap or a relationship between the parties' goods and services. While the Applicant's goods and some of its services differ from those of the Opponent, they are still in the field of healthcare or are somehow otherwise associated. In view of the foregoing, and considering the Applicant's past business activities and connection to the Opponent, I am unable to conclude that the Applicant has met its burden to establish, on a balance of probabilities, that as of the filing date of its application, there was no reasonable likelihood of confusion between the Mark and the Opponent's trade-mark HMI.

[55] Accordingly, this ground of opposition is also successful.

DISPOSITION

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

Lisa Reynolds
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

Hearing Date: No Hearing Held

Agents of Record

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