IN THE MATTER OF AN OPPOSITION by Dr. Ing. h.c.F. Porsche AG to application No. 557,186 for the trade-mark TARGA filed by Procycle Inc.

On February 11, 1986, the applicant, Procycle Inc., filed an application to register the trade-mark TARGA based upon proposed use of the trade-mark in Canada in association with "Bicyclettes et leurs pièces constitutives".

The opponent, Dr. Ing. h.c.F. Porsche AG, filed a statement of opposition on February 20, 1987 in which it alleged that the applicant's trade-mark TARGA is not registrable in that it is confusing with the opponent's registered trade-mark TARGA, registration No. 296,031 for use in association with motor cars and components thereof. The opponent also alleged that the applicant is not the person entitled to its registration in view of the prior user in Canada by the opponent of the trade-mark TARGA in association with motor cars, components thereof, accessories therefor and toys. As its final ground, the opponent alleged that the trade-mark TARGA is not distinctive because it does not distinguish nor is it adapted to distinguish the wares of the applicant from the wares of others including the opponent.

The applicant filed a counterstatement in which it denied the allegations of confusion set forth in the statement of opposition and asserted that its trade-mark TARGA is registrable and distinctive, and that it is the person entitled to its registration.

The opponent filed as its evidence the affidavits of David Emmerson Deacon, Ingrid Nonnenkamp and Emmanuel Manolakis while the applicant filed the affidavits of Jack McClenaghan, Raymond Dutil, George Milo and four documents identified in the applicant's correspondence of October 17, 1988 as being the affidavits of Raymond Schiltz, Stewart McDonald, Mr. Murray and Gordon MacQueen. Mr. McClenaghan was cross-examined on his affidavit, the transcript of the cross-examination forming part of the opposition record.

Both parties submitted written arguments and both were represented at an oral hearing.

During the opposition, the name of the applicant was changed to Groupe Procycle Inc./ Procycle Group Inc., the present applicant of record.

Subsequent to the filing of written arguments in this opposition, the applicant sought leave to file as further evidence in this opposition the affidavit of Linda Elford and certified copies of

certain trade-mark registrations. Leave to file the further evidence pursuant to Rule 46(1) of the Trade-marks Regulations was refused by way of the Office letter of June 30, 1992. While the Office letter does not specifically indicate that the certified copies were being returned to the applicant's trade-mark agents, it was clear from the letter of June 30 that leave to file the further evidence, which would have included the certified copies, was refused by the Opposition Board. Further, the certified copies are not presently on file and may well have been returned to the applicant's agents even through they were not specifically referred to in the Office letter of June 30, 1992.

Both in its written argument, as well as during the oral hearing, the opponent objected to the admissibility of the four documents identified by the applicant as being the affidavits of Schiltz, McDonald, Murray and MacQueen. As noted in the opponent's written argument:

> "The jurat in each of the four documents states that the document was "sworn (or affirmed)" before the Commissioner. It does not specify whether each affidavit was sworn (as an affidavit) or affirmed (as a statutory declaration). The Commissioner apparently personally wrote the words "sworn (or affirmed) before me at...". This suggests he did not know whether it had been sworn or affirmed."

My suspicion is that the Commissioner was unable to determine from the documents whether they would be interpreted by the Registrar as being affidavits or statutory declarations and therefore worded the jurats accordingly. By way of example, I have set out below a reduced-size representation of the document identified by the applicant as being the affidavit of Gordon MacQueen.

To be affidavits, the documents would have to have been sworn. As pointed out by the opponent, the decision in Dobrinsky v. Kubara [1949] 1 W.W.R. 65 is authority for the proposition that the failure of an affiant to specify that the statements contained in the affidavit were made under oath renders the affidavit inadmissible. Further, in the Dobrinsky case,, Mr. Justice Kelly refers to In re Newton, (1860) De G F & J, 45 ER 522 where it was held "that the omission of the material words 'make oath' is not cured by the jurat stating: 'Sworn by the said deponents'." Further, were the documents intended to be considered as statutory declarations, then each is contrary to Section 41 of the Canada Evidence Act which stipulates the form to be used in the case of a statutory declaration.

Despite being alerted to the alleged defects in the four documents by the opponent's written argument, the applicant elected to proceed on the basis that the documents were admissible as evidence. While the Opposition Board is prepared to overlook technical deficiencies in the jurat of an affidavit or similar technical objections to evidence, and particularly so when the objections are raised for the first time at an oral hearing, I consider that the defects in the four documents to be more than mere technical deficiencies or minor irregularities which ought to be overlooked. I have therefore concluded that the four documents are inadmissible as evidence in this proceeding.

The substantive issues in this opposition turn on the question of confusion between the applicant's trade-mark TARGA as applied to bicycles and parts therefor and the opponent's trade-mark TARGA as applied to motor cars, components thereof, and motor car accessories. At the oral hearing, the agent for the opponent chose to direct his submissions to the non-entitlement ground of opposition in view of the earlier material date in respect of that ground. While the opponent in respect of its Section 16 ground has relied upon prior use of its trade-mark in association with toys, no evidence of prior use of the trade-mark TARGA in association with these wares has been submitted. Further, apart from an inference of de minimus use which might be inferred from the certified copy of its registration filed by the opponent as an exhibit to the Manolakis affidavit, no evidence of use of the trade-mark TARGA in association with motor car components or accessories was filed by the opponent.

The opponent has alleged that its evidence shows prior use of the trade-mark TARGA in association with motor cars, as well as non-abandonment of the trade-mark in Canada as of the date of advertisement of the applicant's application in the Trade-marks Journal on August 6, 1986. The

applicant, on the other hand, has argued that the opponent's trade-mark TARGA is descriptive when applied to motor cars and has been used in a generic or descriptive manner by the opponent. In particular, the applicant noted that the opponent has used the mark TARGA, as well as terms Coupe and Cabriolet, in identifying models of the Porsche 911 series cars and that both the terms Coupe and Cabriolet are descriptive terms as applied to automobiles.

A "coupe" is defined in Webster's Third New International Dictionary as a 2-door automobile with one seat compartment and a separate luggage compartment while a "cabriolet" is a convertible coupe. However, no dictionary definition appears in relation to the opponent's trade-mark TARGA in Webster's New International Dictionary. Further, I do not consider that the opponent's evidence establishes that it has used its mark in a generic manner and I have therefore dismissed the applicant's submission that the trade-mark TARGA is descriptive or generic in relation to a type of automobile. The opponent has therefore met the burden on it under Sections 16 and 17(1) of the Trade-marks Act of showing prior use of the trade-mark TARGA in Canada in association with motor cars, as well as non-abandonment of the mark as the August 6, 1986.

In view of the above, the legal burden is on the applicant to establish that there would be no reasonable likelihood of confusion between the trade-marks of the parties as of the applicant's filing date. In determining whether or not there would be a reasonable likelihood of confusion between the trade-marks at issue, the Registrar must have regard to all the surrounding circumstances, including those specifically referred to in Section 6(5) of the Trade-marks Act.

Both the applicant's trade-mark TARGA as applied to bicycles and parts therefor and the opponent's trade-mark TARGA as applied motor cars are inherently distinctive.

The opponent's evidence establishes that its trade-mark has become know to some extent in Canada. While the Deacon affidavit points to sales of only 145 cars in Canada from 1982 to 1985 (prior to February 11, 1986) inclusive, Mr. Deacon does point out that the PORSCHE TARGA automobile is a prestige high performance luxury car which attracts a high price both new and when used. As a consequence of the preeminence of Porsche AG cars in international racing, Mr. Deacon concludes that the PORSCHE 911 TARGA has a renown and reputation which is "far beyond the renown that would be attracted to a line of cars of most, if not all, other car manufacturers". While the reputation associated with the opponent's trade-mark PORSCHE undoubtedly extends beyond that which might otherwise be associated with a trade-mark applied to a particular make or model of automobile having a low volume of sales in Canada, I am not prepared to conclude in the absence

of more convincing evidence than has been submitted by the opponent that the international reputation associated with the trade-mark PORSCHE also extends to each and every model of PORSCHE car sold in Canada. In this regard, I am mindful of the fact that there were only 150 PORSCHE 911 (CARRERA) TARGA cars sold in this country from 1982 to 1985 and that the mark TARGA is but one of three or possibly four trade-marks used by the opponent to distinguish this model of automobile in the marketplace. At best, the opponent's evidence tends to indicate that sports car enthusiasts are likely to be familiar with the PORSCHE 911 (CARRERA) TARGA automobile as a consequence of its distinctive appearance. However, I do not consider that sports car and car racing enthusiasts represent a significant proportion of the population in Canada. As a result, the opponent's evidence has not established that its trade-mark TARGA has acquired any measurable reputation at the level of the average consumer of either bicycles or cars in this country.

The applicant's application is based upon proposed use of its trade-mark TARGA in Canada and, as of the filing date of its application, the trade-mark TARGA had not become known to any extent in Canada as a trade-mark of the applicant.

The length of time that the trade-marks at issue have been used in Canada favours the opponent in this opposition, the opponent's having used its trade-mark TARGA in Canada in association with cars since 1967.

As the trade-marks at issue are identical, the only remaining criteria of those specifically identified in Section 6(5) of the Act are the nature of the wares of the parties and the respective channels of trade associated with these wares. The Manolakis affidavit establishes that there is some connection between motorcycles and automobiles in that the trade-marks HONDA, SUZUKI and BMW are owned by the same entity in respect of both motorcycles and car. As well, Mr. Deacon in paragraph 16 of his affidavit states:

> "16. I am aware that it is not uncommon for car manufacturers to also produce vehicles other than cars under their brand names also used in association with their cars. One example is the company that produces "BMW" cars which are sold in Canada. The company has for many years also produced "BMW" motorcycles which have been sold in Canada. I recall first noting a "BMW" motorcycle in Canada as early as about 1969."

However, while automobiles and bicycles are both generally modes of road transportation, I do not consider the wares to be at all similar. In American Motors Corp. and American Motors (Canada) Ltd. v. Canada Cycle and Motor Co. Ltd., 42 C.P.R. (2d) 287, an opposition involving the trade-marks REBEL as applied to bicycles and REBEL as applied to automobiles, the hearing officer commented as follows with respect to the nature of the wares and their respective channels of trade

at pages 288 as follows:

Further, in Bombardier Ltd. v. CCM Inc., 73 C.P.R. (2d) 185, the Opposition Board considered the issue of confusion between the trade-marks CAN AM for bicycles and CAN-AM for motorcycles. At pages 195 to 197, the hearing officer stated:

In an attempt to establish some connection between bicycles and automobiles, the opponent relied upon Exhibit "A" to the Nonnenkamp affidavit, a publication of Audi AG showing the history of the development of the business of "Audi" organization from 1873 to 1986. The Nonnenkamp

affidavit is ambiguous as to the number of such publications distributed in Canada and there is no evidence that the publications were distributed in this country prior to the applicant's filing date. If anything, the publication, which is more than 130 pages in length, tends to support the argument that today the average consumer might perceive there to be a connection between motorcycles and automobiles, rather than bicycles and automobiles.

While the opponent's evidence in the present case establishes a connection between motorcycles and automobiles, I do not consider that its evidence supports the conclusion that the average consumer would perceive there to be any connection between bicycles and automobiles.

As a further surrounding circumstance in respect of the issue of confusion, the applicant relied upon the prior registration and prior use of the trade-mark TARGA in Canada by CCM Inc. and its predecessor in association with bicycles. In his affidavit, Raymond Dutil, President of the applicant and, as well, President of Vélo Sport Inc. and Gestion CCM (1983) Inc., states that the trade-mark TARGA was previously used by the predecessors of Vélo Sport Inc., namely, CCM Inc. and Canada Cycle and Motor Company Limited, and was previously registered by Canada Cycle and Motor Company Limited in association with bicycles under registration No. 202,491 on October 18, 1974, claiming use since January of 1973. According to Mr. Dutil, Vélo Sport Inc. acquired all the registered and unregistered trade-marks of CCM Inc. as used in relation to bicycles, including the trade-mark TARGA at the beginning of 1983 and, on June 8, 1983, the Registrar issued a notice pursuant Section 44 (now Section 45) of the Trade-marks Act which Vélo Sport elected not to answer in that CCM Inc. had suspended manufacture of TARGA bicycles at the time of acquisition of the trade-mark TARGA by Vélo Sport. Exhibit "C" to the Dutil affidavit confirms that the registered trade-mark TARGA, registration No. 202,491, was expunged from the register on December 14, 1983.

In his affidavit, George Milo states that from 1978 to 1982, he held various managerial positions with CCM Inc. in the sales and marketing areas. According to Mr. Milo, bicycles and cars are totally different products, not in the same range of price and sold through different channels of trade. The affiant states that he never heard or been made aware of any person believing that the bicycles bearing the trade-mark TARGA emanated from the manufacturer of the PORSCHE car and, during that time, CCM Inc. never received any complaint from the manufacturer of the PORSCHE car regarding the TARGA bicycles. However, from the transcript of the McClenaghan cross-examination, it would appear that CCM Inc. ceased the manufacture and distribution of Targa bicycles in 1977 or 1978 although the TARGA bicycle was still in the 1977 Canada Cycle catalogue

and price list (see Exhibits D and F to the Dutil affidavit).

In his affidavit dated September 12, 1988, Mr. McClenaghan states the following:

> "1. From 1973 until the bankruptcy of CCM Inc., at the end of 1982 - early 1983, I was Director of Purchasing and Development of CCM Inc.
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> 2. From 1973 until about 1977, CCM Inc. was selling, in Canada, bicycles under the trade-mark TARGA.
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> 3. During the said period, CCM Inc. has sold approximately 100,000 TARGA bicycles, for an amount totalling about $ 8,000,000 dollars."

In the transcript of Mr. McClenaghan's cross-examination, the deponent points out that CCM sold at total factory cost approximately 75,000 TARGA bicycles to K-MART around 1975 and sold about 25,000 TARGA bicycles to CCM dealers prior to stopping production of the TARGA bicycles in 1977-1978. Also, Mr. Deacon in his affidavit states that he recalled in about the late 1970's seeing a TARGA bicycle of CCM. The applicant's evidence therefore confirms that there were fairly significant sales by CCM of TARGA bicycles from 1973 to 1977 and that no objections by the opponent concerning sales of TARGA bicycles were brought to the attention of CCM Inc. at least during the period 1978 to 1982.

In response to the above, the opponent relied upon the following paragraph of the Deacon affidavit as being evidence of actual confusion between the opponent's TARGA trade-mark and the TARGA trade-mark of CCM Inc.:

> "17. I personally recall having seen in Canada in about the late 1970's a "TARGA" brand bicycle of CCM. I recall that at the time I wondered how CCM had been able to arrange with Porsche AG to use the "TARGA" name. I fully anticipate that if a "TARGA" brand bicycle were offered for sale in Canada in the future, many members of the public would assume that there was a connection or arrangement between the manufacturer of the bicycle and the maker of "TARGA" cars."

The last portion of paragraph 17 in which the affiant expresses his opinion that many members of the public would assume a connection between TARGA brand bicycles and the TARGA cars is inadmissible opinion evidence. Further, as the owner of a PORSCHE TARGA car from 1975 to 1983 and a professional racing car driver for ten years, including racing in Porsche AG car, I do not consider Mr. Deacon's perception that he thought that CCM had arranged with the opponent to use the TARGA trade-mark would be representative of the perception of the average consumer in the marketplace in Canada.

In view of the above, I have concluded that the applicant has met the legal burden upon it of establishing that there would be no reasonable likelihood of confusion between the trade-marks at issue in this opposition as of the filing date of the present application. Further, I do not consider that

the situation would have changed by the date of opposition or as of the date of this decision other than to strengthen the applicant's position in that the applicant in 1987 sold more than 5,500 TARGA bicycles in Canada without any evidence of actual confusion being adduced by the opponent beyond its reliance on paragraph 17 of the Deacon affidavit.

I reject the opponent's opposition pursuant to Section 38(8) of the Trade-marks Act.

DATED AT HULL, QUEBEC, THIS 30th DAY OF SEPTEMBER 1992.

G.W.Partington,
Chairman,
Trade Marks Opposition Board.