

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

**Citation: 2010 TMOB 154**  
**Date of Decision: 2010-09-30**

**IN THE MATTER OF AN OPPOSITION  
by A.M. Ford Sales Ltd. to application  
No. 1,286,529 for the trade-mark  
AUTOCANADA & Design in the name of  
7268769 Canada Inc.**

[1] On January 18, 2006 an application to register the trade-mark AUTOCANADA & Design application No. 1, 286,529 (the Mark) was filed by Canada One Auto Group Ltd., subsequently assigned to AutoCanada LP on July 6, 2006, and then to 7268769 Canada Inc. (the Applicant) on March 25, 2010. The application is based on proposed use in association with the services “*management and administration of an income fund; operation of an automobile dealership*”; it was advertised in the *Trade-marks Journal* of December 26, 2007. The Mark is shown below.



[2] On February 22, 2008, a statement of opposition was filed by A.M. Ford Sales Ltd. (the Opponent); the Applicant filed and served its counter statement on April 21, 2008.

[3] The Opponent filed the affidavits of Dan Ashman, Barbara Blatchford, and Yawen Liu. The Applicant’s evidence consists of the affidavit of T.L. (Tom) Orysiuk. Both parties submitted written arguments and were represented at the oral hearing.

## Grounds of Opposition

[4] The grounds of opposition are summarized as follows:

- Non-compliance with s. 30(e) of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the “Act”) because, at the filing date of the application, the Applicant did not intend to use the Mark in question in Canada for the purposes of distinguishing or so as to distinguish the Applicant’s services from those of others.
- Non-compliance with s. 30(i) of the Act because the Applicant could not have been satisfied at the date of filing that it was entitled to use the Mark given the prior rights of the Opponent.
- Not registrable pursuant to s. 12(1)(b) of the Act because the Mark is clearly descriptive or deceptively misdescriptive of the character or quality of the Applicant’s services in association with which it is proposed to be used, namely, the management and administration (presumably auto related) of an income fund in Canada, and the operation of an auto dealership in Canada.
- Non-entitlement pursuant to s. 16(3)(a) of the Act; the Applicant is not the person entitled to the registration because at the date of filing of the application, the Mark was confusing with the Opponent’s previously used trade-mark AUTOCANADA in association with automobile dealership services.
- Non-distinctiveness pursuant to s.2 as the Mark is not adapted to distinguish nor does it actually distinguish the Applicant’s services from the services of the Opponent and those of others.

## Material Dates

[5] The material dates relating to the grounds of opposition at issue are generally recognized as:

- non-compliance with s.30 of the Act: filing date of the application (January 18, 2006), [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 at 475 (T.M.O.B.)]
- non-entitlement to the Mark, pursuant to s. 16(3)(a) - the filing date of the application
- non-registrability of the Mark under s.12(1)(b) of the Act; filing date of the application, [see *Zorti Investments Inc v. Party City Corp.* (2004), 36 C.P.R. (4<sup>th</sup>) 90 (T.M.O.B.); *Havana Club Holdings S.A. v. Bacardi & Co.* (2004), 35 C.P.R. (4<sup>th</sup>) 541 ( T.M.O.B.); *Fiesta Barbeques Limited v. General Housewares Corporation* (2003), 28 C.P.R. (4th) 60 (F.C.T.D.)]
- non-distinctiveness of the Mark; the filing date of the statement of opposition (February 22, 2008) [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)]

### Summary of the Opponent's Evidence

#### *Affidavit of Dan Ashman*

[6] In his affidavit, Mr. Ashman identifies himself as President of the Opponent since November 1984. He describes the Opponent's business as a Ford automobile dealership in Trail, British Columbia. The dealership involves various automobile-related operations, including: selling and leasing new and used vehicles; selling vehicle parts and accessory including antitheft GPS, Bluetooth products; providing repairs and services, and providing purchase financing.

[7] Mr. Ashman's evidence is directed toward supporting the assertion that the Opponent has used the trade-mark AUTOCANADA in Canada. Mr. Ashman provides that the Opponent registered the domain name "autocanada.com" on or about January 10, 1996; that since at least the year 2000 the Opponent caused the domain name to be redirected to the Opponent's main website "amford.com". He states that since at least July 2004, the domain name has appeared in the Opponent's newspaper advertisements which have run Monday through Friday in the *Trail Daily Times* and the *Nelson Times*, and on Fridays in the *Weekender* paper; each of which are distributed in Trail, and Nelson B.C., and surrounding areas.

[8] An example of the ad is attached as Exhibit A. I note that the ad is approximately 2” x 2” in size; it appears to be related to purchase financing services and lists a name and phone number to call for pre-approval. The ad also indicates that one can apply at *www.autocanada.com*. I would also observe that the domain name is in the smallest font in the ad; the largest and most dominant words are “You’re Approved”; the ad is directed to the availability of purchase financing, regardless of credit rating or debt situation. Nowhere in the ad does AUTOCANADA appear apart from its inclusion in the domain name. I would add that other than by implication since the ad is placed within the car sales section of the classified ads, there is nothing that indicates that such services are related to the Opponent’s dealership or even car purchases in general.

[9] The Applicant made several submissions regarding this evidence. It was argued that there is a notable absence in Mr. Ashman’s statements that the Opponent had actually used the domain name since 1996, and that it is not clear that the domain was ever used until July 2000 where it was only used to redirect people to the Opponent’s main website under the name of “amford.com”.

[10] With respect to the print advertisements, the Applicant argued that the domain name is not used as a trade-mark, rather it appears as information for the consumer in smallest font in the ad; there is no connection in the ad itself to the Opponent company. As noted above, there is nothing that indicates that such services are related to car purchases; other than by implication, since the ad is placed within the classified car sales section.

[11] In my view the domain name is not used in the ad as a trade-mark for automobile dealership services. It is placed in the ad as a tool for the consumer to use to contact the provider of the advertised purchase financing, much the way a phone number is used. Arguably it might also be perceived as the business name of the provider of the “You’re Approved” services. As such, I find that the print ad does not evidence use of a trade-mark AUTOCANADA or “autocanada.com”. Accordingly, I find none of this evidence to be of value in supporting the Opponent’s assertion of use of the trade-mark AUTOCANADA.

*Affidavit of Barbara Blatchford*

[12] Ms. Blatchford is the Publisher of the *Trail Daily Times* of Trail, B.C. Her affidavit is directed towards establishing that the Opponent's ad in question has been published since mid July 2004 in the *Trail Daily Times*, the *Nelson Times* and the *Weekender*. However, since it has been determined that the ad does not evidence trade-mark use, it is unnecessary to discuss this affidavit further.

*Affidavit of Yawen Liu*

[13] Yawen Liu is a paralegal and employee of the agents for the Opponent. The Liu affidavit is directed toward establishing use by a third party of the domain name *autocanada.ca*. On August 20, 2008 the affiant searched the domain name *autocanada.ca* on *www.whois.net*; the search results are attached as Exhibit A. The Exhibit indicates that there is a domain name *autocanada.ca* that is owned by Meloche Monnex Inc. Exhibit B consists of web pages that indicate that Meloche Monnex is a TD company providing personal automobile and home insurance in Canada. Exhibit C is a web page from the TD website indicating that TD provides auto insurance. I note that the neither the Mark nor the domain name in question appear on the website. Exhibit D is a DVD which captures the process of the affiant actually entering *www.autocanada.ca* on a search engine screen and being directed to the TD website on auto insurance. I would observe that nowhere in this evidence does the "autocanada" portion of the domain name appear without the World Wide Web reference "www".

[14] The Liu affidavit was not objected to as being hearsay evidence. As the Applicant pointed out, the evidence in the Liu affidavit post-dates the material date for assessing non-entitlement under s. 16(3)(a) as well as for the issue of non-distinctiveness. In any event, for the same reasons stated previously with respect to the Opponent's use of its domain name, I am not convinced from the evidence presented, that use in this case by TD/Meloche Monnex has functioned as use of a trade-mark.

Summary of the Applicant's Evidence

*Affidavit of Tom Orysiuk*

[15] Mr. Orysiuk identifies himself as a chartered accountant and the Executive Vice President and Chief Financial Officer of the Applicant; he has held that position since November 2005. He explains that the Applicant is a limited partnership; the general partner is AutoCanada GP Inc. a federally incorporated company. The Applicant is part of a group of entities that includes AutoCanada LP, AutoCanada GP Inc., AutoCanada Operating Trust, AutoCanada Income Fund, GPN Auto Ltd. (collectively referred to as the “AutoCanada Group”).

[16] Mr. Orysiuk attaches certificates of corporate registrations (Exhibit A) as well as an organization chart of relationship between various members of the group (Exhibit B).

[17] The Applicant operates or manages over 20 dealerships across Canada and has over 1070 employees through its dealerships. In 2007 the dealerships sold approximately 23,300 vehicles and processed approximately 231,700 service and collision repairs, generating revenue of approximately \$835 million. Mr. Orysiuk states the Mark has been used in association with the management and administration of an income fund; and the operation of an automobile dealership, since as early as May 2006. Attached as Exhibit F are sample invoices issued by dealerships for services and car purchases all of which bear the Mark at the bottom of the page. Attached as Exhibit D to the Orysiuk affidavit are 79 media releases and print stories pertaining to the AutoCanada Group and its dealerships and functioning of the income fund.

#### Grounds of Opposition under s. 30

[18] 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].

[19] With respect to the ground of opposition based on s. 30(e) of the Act, the Opponent may rely on the Applicant’s evidence to meet its initial burden in relation to this ground but the Opponent must show that the evidence is clearly inconsistent with the Applicant’s claim [see *Molson Canada v. Anheuser-Busch Inc.*, (2003), 29 C.P.R. (4th) 315 (F.C.T.D.), and *York Barbell Holdings Ltd. v. ICON Health and Fitness, Inc.* (2001), 13 C.P.R. (4th) 156 (T.M.O.B.)].

[20] In the present case, there is nothing in the Applicant's evidence which is clearly inconsistent with the claim that it intended to use the Mark in association with services. The Opponent argued that the Applicant could not have intended to use the Mark since (in the Opponent's submission) it does not function to distinguish the Applicant's services from those of the Opponent. This is an argument more properly made with respect to the issue of non-distinctiveness, rather than under s. 30(e). Accordingly, the Opponent has not discharged its burden in this regard; furthermore the Applicant has established that it actually did commence use of the Mark (subsequent to the filing of its application). This ground of opposition is dismissed.

[21] It should be noted that at the hearing the Opponent attempted to raise an objection under this ground to the services "*management and administration of an income fund*" on the basis that such services did not provide a benefit to third parties. The Opponent reasoned that in these circumstances the Applicant could not have properly intended to use the Mark within the meaning of the Act in association with such services.

[22] The objection to these services was not raised under any ground in the statement of opposition, nor addressed at the written argument stage. The issue was not raised until cases relied on by the Opponent to support the allegation [*Ralston Purina Co. v. Effem Foods Ltd.* (1997), 81 C.P.R. (3d) 528 (T.M.O.B.); *Carling O'Keefe Breweries of Canada Ltd.-Les Brasseries Carling O'Keefe Du Canada Ltée v. Anheuser Busch, Inc.* (1985) 4 C.P.R. (3d) 216 (T.M.O.B.)] were forwarded to the Applicant (and to the Trade-Marks Opposition Board) on the eve of the oral hearing. Consequently, this argument cannot be considered at this late stage. Furthermore, such an allegation is more properly raised under the ground of non-compliance with s. 30(a) of the Act, which was not pleaded.

[23] With respect to the ground of opposition based on s. 30(i) of the Act, no evidence was filed demonstrating that the Applicant was aware of any prior rights of the Opponent when it filed its application. Even if use has been established by an opponent of its trade-mark and the applicant has knowledge of such use, these circumstances alone would not prevent an applicant from making the statement required in good faith. Where an applicant has provided the statement required by s. 30(i), this ground should only succeed in exceptional cases such as where there is

evidence of bad faith on the part of the applicant. [*Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]. As the Opponent has not evidenced any bad faith on behalf of the Applicant, this ground is dismissed.

Ground of Opposition under s. 16(3)(a)

[24] The Opponent alleges that the Mark is confusing with the Opponent's trade-mark at the date of filing of the application and therefore contrary to s. 16(3)(a) of the Act. Section 16(3)(a) requires that the Opponent establish that its trade-mark was in use at the material date (January 18, 2006), and in accordance with s. 16(5), that it had not been abandoned at the date of advertisement.

[25] The Opponent has the initial burden of proof to provide some admissible evidence from which it might reasonably be concluded that the facts alleged in support of the ground of opposition exist [see *Joseph E. Seagram & Sons, Limited v. Seagram Real Estate* (1984) 3 C.P.R. (3d) 325 at 329 (F.C.T.D.); *John Labatt Ltd v. Molson Cos Ltd.* (1980) 30 C.P.R. (3d) 293 affirmed (1992) 42 C.P.R. (3d) 495 (F.C.A.)].

[26] As I have found that the evidence provided does not establish trade-mark use by the Opponent at the date of the instant application (or at any time), the Opponent has failed to satisfy this initial burden of proof under s. 16(3)(a); this ground of opposition must fail.

Ground of Opposition under s. 12(1)(b)

[27] The Opponent has pleaded that the Mark is not registrable pursuant to s. 12(1)(b) on the basis that it is clearly descriptive or deceptively misdescriptive of the character or quality of the services.

[28] The Opponent's initial evidentiary burden has been met in view of the ordinary meaning of the words AUTO and CANADA. The Opponent submitted that the design portions were inherently weak and did not save the Mark from being clearly descriptive as a whole. The Opponent also submitted that the words are apt and common to the trade and that a monopoly over these terms should not be acquired by the Applicant.



[29] The issue as to whether the Mark is clearly descriptive must be considered from the point of view of the average purchaser of the associated services. Furthermore, the Mark must not be dissected into its component elements and carefully analyzed but must be considered in its entirety as a matter of immediate impression [*Atlantic Promotions Inc. v. Registrar of Trade Marks*, (1984) 2 C.P.R. (3d) 183 at 186 (F.C.T.D.)]. “Character” in s. 12(1)(b) means a feature, trait or characteristic of the wares or services and “clearly” means “easy to understand, self-evident or plain” [*Drackett Co. of Canada Ltd. v. American Home Products Corp.* (1968), 55 C.P.R. 29 at 34 (Ex. Ct.)].


[30] The Opponent argued, relying on *Best Canadian Motor Inns, Ltd. v. Best Western International, Inc.* (2004) 30 C.P.R. (4th) 481 ( F. C.T.D.)[*Best Canadian*], that s.12(1)(b) prohibits the registration of trade-marks that are clearly descriptive when *sounded*; which reasoning prohibits registration of trade-marks that include design features where the words are a dominant feature of the mark and are clearly descriptive. In that case the Mark shown below was considered not to be registrable (for the services “hotel, restaurant and accommodation services”):





[31] I observe that in the above trade-mark the design portions consist of two lines and an eleven point maple leaf (disclaimed); visually the design features are small, compared to the word portions of the trade-mark. The word portion of the trade-mark was found to be clearly descriptive. I point out that the words are in natural word order and comprised of a laudatory component (Best) and an additional adjective (Canadian) that describe Motor Inns; as the Court pointed out - the design elements cannot be said to incorporate distinctive elements.

[32] The Opponent also referred to the recent decision of the Federal Court in an appeal from a decision of the Registrar of Trade-marks (T.M.O.B.) in *Worldwide Diamond Trademarks Ltd. v. Canadian Jewellers Assn.* (2010), 82 C.P.R. (4th) 435 [*Worldwide Diamond*]. The three trade-marks at issue are shown below, (for use with the wares “diamonds, diamond certificates and

diamond appraisals; diamond cloths, magnifying loops; point of purchase countertop displays; posters; and pens” and the services “diamond appraisal services”):

THE CANADIAN DIAMOND CERTIFICATE   
The mark of a diamond that is mined, cut and polished in Canada

THE CANADIAN DIAMOND REPORT   
The mark of a diamond that is mined, cut and polished in Canada

THE CANADIAN DIAMOND APPRAISAL   
The mark of a diamond that is mined, cut and polished in Canada

[33] In these applications, the applicant disclaimed the words CANADIAN DIAMOND, DIAMOND, CUT, POLISHED, AND CANADA, as well as the phrase A DIAMOND THAT IS MINED, CUT, AND POLISHED IN CANADA” in respect of the wares “diamonds”.

[34] The Registrar had found that the only key additions to the descriptive words are the flag-like design. The Court found that the Registrar reasonably held that the flag-like design is not a dominant feature of the proposed trade-marks, and therefore the trade-mark as a whole was not registrable; the Court cited *Best Canadian* in support of its decision.

[35] After careful consideration of the submissions and with great respect for the arguments put forward by the Opponent, I must disagree with the Opponent’s reasoning that the subject Mark should be considered similar to and treated the same way as the trade-marks in *Best Canadian* and *Worldwide Diamond*.

[36] With regard to the word portion of the Mark, I am in agreement with the Applicant that it is more similar to the trade-mark AUDITCOMPUTER and more aptly subject to the reasoning expressed in that case, where it was decided that AUDITCOMPUTER was not clearly descriptive of “services of examining and testing bookkeeping records by computer and consulting with respect to such examination and testing” [*Clarkson Gordon v. Registrar of Trade-Marks* (1985), 5 C.P.R. (3d) 252] [*AuditComputer*]. In reversing the Registrar, the Court reasoned that the word AuditComputer was not clearly descriptive (at para 7):

I cannot find that the word AuditComputer has a clearly descriptive content. It is an awkward and cumbersome (and for that reason one wonders how effective as a trade mark) combination of two words. On first reading, the word appears to be meaningless. To the extent that it does signify anything, it would appear that it might describe a type of computer. Or it might describe a mechanism for verifying the accuracy of efficiency of the functioning of a computer of computer programs. But, the coined word does not clearly describe a “computer assisted audit”. This becomes obvious when one considers that to get from the prospective trade mark the meaning contented for, one has to separate the two words of which it is formed, reverse them and add a verb between.

[37] The Court goes on to say ( para.8):

While I accept that coined words do not by that fact alone escape the requirements of s. 12(1)(b) of the Trade Marks Act, R.S.C. 1970, c.T-10, it will always be more difficult to prove that such words are clearly descriptive of a character or quality of the product to which they relate than is the case with “uncoined” words. I note that in all the cases relied upon by counsel for the respondent where coined words were found to be descriptive, they were made up of an adjective and a noun joined in their normal order (superwash, superweave, hypervalue, superset). The coined word in this case does not have the logical grammatical meaning that flows from such a natural conjunction of words.

[38] Similarly in the present case, I find that “AutoCanada” is not a natural conjunction of words, since both words are nouns and neither modifies the other; in order to find the Mark clearly descriptive one would need to separate the words and add additional material, and possibly reverse their order, such as, for example, “Autos from Canada” or “Canadian Autos”. As such I find that “AutoCanada”, although not a strong mark, cannot be said to be *clearly* descriptive of the associated services.

[39] I am thus of the view that the Mark is not clearly descriptive of either of the services with which it is proposed to be used. In association with the services of “management of an income fund” the Mark is mystifying, and appears to have little significance. With respect to “operation of an automobile dealership”, I note that AUTO and CANADA have been separately disclaimed and while individually and separately each word may be common to the trade, I do not agree that registration of the words together as a singular expression would be granting the Applicant a monopoly contrary to the intention and purpose of the Act.

[40] I am also of the view that when taking into consideration the design elements, the Mark is, in any event, registrable as a whole. In my view, the cut-out shape of a half diagonal maple leaf superimposed on the numeral one, given its stylized appearance, size and placement at the beginning of the Mark, renders the design equally as dominant as the word portion. In other words, unlike in the *Best Canadian* case, I am of the view that the word portion does not dominate the Mark to the extent that the design elements can be excluded from the consideration of descriptiveness.

[41] The Opponent argued that the use of the numeral one is laudatory; however, I agree with the Applicant that in the absence of reference to being “no. 1”, in this case the numeral is equally subject to other meanings that are not laudatory, such as “first chronologically”, “the only one” or “one company”, etc. By way of example only, of possible non-laudatory usage, I refer to the original applicant’s corporate name - Auto One Canada.

[42] In view of the foregoing, I am prepared to find that on the balance of probabilities, the Mark does not offend s. 12(1)(b) of the Act. Therefore this ground of Opposition fails.

#### Ground of Opposition under s.2 - non-distinctiveness

[1] The Opponent has failed to establish use of the trade-mark(s) alleged in this ground of opposition; therefore this ground of opposition is also dismissed.

#### *Disposition*

[2] In view of all of the foregoing, and pursuant to the authority delegated to me under s. 63(3) of the Act, I reject the opposition pursuant to s. 38(8) of the Act.

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P. Heidi Sprung  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office