



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

Citation: 2012 TMOB 80
Date of Decision: 2012-04-25

**IN THE MATTER OF FIVE
OPPOSITIONS by Air Miles
International Trading B.V. to
application No. 1,271,320 for the trade-
mark ASIA MILES and application
Nos. 1,271,440; 1,271,441; 1,276,720;
1,276,725 for the trade-marks ASIA
MILES & Design in the name of
Cathay Pacific Airways Limited**

APPLICATION No.1,271,320 for ASIA MILES

FILE RECORD

[1] On September 8, 2005, Cathay Pacific Airways Limited (“Cathay Pacific”) filed an application to register the trade-mark ASIA MILES for use in association with various wares and services, as shown below. The numerical listing for the wares and services correspond to those in the application. Also indicated below are the bases for registration of which there are three namely, (i) use in Canada, for most of the wares (ii) proposed use in Canada, and (iii) use and registration of the mark in Hong Kong, China (added by an amendment to the application on October 5, 2005). The application disclaims the right to the exclusive use of the word ASIA apart from the mark as a whole.

wares - use in Canada

(1) newsletters; pamphlets; promotional materials, namely brochures and pamphlets & flyers; photographs and posters; brochures; baggage cards; postcards; membership cards; booklets; guides; paper folders; paper racks (for holding application forms); envelopes; writing papers;

forms; luggage tag cards; printed matter, namely monthly statement and application forms and gift vouchers (since February 1999),
(2) magazines (since March 1999),
(3) advertising boards of paper or cardboard, countertop displays; display signs (since January 2000),
(4) newspapers (since April 2002),
(5) pens (since 2002),
(6) diaries (since 2000),
(7) note paper; note pads & cards (since 1999),
(9) paper wallets, based on use in Canada since November 2002.

wares - proposed use in Canada

(8) cardboard; merchandise catalogues; periodicals; journals; manuals; packaging and wrapping materials; paper bags; plastic bags; greeting cards; leaflets.

wares - use and registration in Hong Kong, China

(10) cardboard; magazines, inflight entertainment magazines; publications relating to travel and recreational information; merchandise catalogues; newsletters; periodicals; pamphlets; journals, manuals; advertisement boards of paper or cardboard; photographs; posters; paper bags, plastic bags; greeting cards, maps; calendars; announcement cards; playing cards; stickers; brochures.

services – use in Canada

(1) tourist office and travel agency services for arranging travel; package holiday services; transport of passengers' vehicles by air; car and truck rental and charter services; travel upgrade and club travel services; reservation services for travel by air, rail, sea and car rental; services provided by airlines in the nature of frequent flyer and bonus programs for frequent air travellers including membership privileges, loyalty recognition programs, club membership and the supply of benefits in connection with transportation and travel, including priority boarding, check-in, seating and reservation services, ticket upgrades, augmented frequent flyer mileage; planning, booking, ticketing and information services relating to travel and transport provided by electronic means and communication with customers; booking services for hotel accommodation (since February 1999).

services - proposed use in Canada

(2) provision of tourist information.

services - use and registration in Hong Kong, China

(3) air passenger transport services; tourist office and travel agency services for arranging travel; package holiday services namely travel and hotel arrangement and reservation; provision of tourist information;

air cargo transport services; courier services for cargo and goods; courier services for messages and letters; transport and delivery of goods by air; transport of passengers' vehicles by air; luggage storage services; vehicle rental and charter services; handling of baggage; booking services for hotel accommodation.

[2] The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated November 29, 2006 and was opposed by Air Miles International Trading B.V. (based in Voorschoten, Netherlands) on March 19, 2007. The Registrar forwarded a copy of the statement of opposition to the applicant on April 12, 2007, as required by s.38(5) of the *Trade-marks Act*, R.S.C. 1985, c. T-13. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition. In the body of the counter statement, the applicant requested that some of the pleadings in the statement of opposition be struck. However, the applicant's cover letter accompanying the counter statement made no reference to a request for an interlocutory ruling. Consequently, the administrative staff at the Board did not bring the applicant's correspondence, or the counter statement, to the attention of a Board member. As the applicant never reiterated its request, no interlocutory ruling issued prior to the oral hearing.

[3] The opponent's evidence consists of the affidavits of Michael Kline; Jimmy Partington; Cliff Swaters; Daniel Park; Donald Easter and Elizabeth Futo. The applicant's evidence consists of the affidavits of Grace Poon; Jeffrey E. Coles; Eileen Castellano and Caroline D'Amours. Each of the applicant's affiants was cross-examined on his or her affidavit. The transcripts of their cross-examinations and answers to undertakings form part of the evidence of record. The opponent's evidence in reply consists of the affidavit of Lucy Rooney. Both parties submitted a written argument and both parties were ably represented at an oral hearing held on March 28, 2012.

STATEMENT OF OPPOSITION

[4] 1. The first ground of opposition, pursuant to s.30(a) of the *Trade-marks Act*, alleges that each of the applicant's wares and services are not stated in ordinary commercial terms.

2. The second ground, pursuant to s.30(b) of the *Act*, alleges that the applicant has not used its mark in Canada since the dates claimed in the subject application.

3. The third ground, pursuant to s.30(d), alleges that the applicant has not used its mark in Hong Kong, China as claimed in the subject application.

4. The fourth ground, pursuant to s.30(e), alleges that the applicant does not intend to use its mark in Canada as claimed in the subject application.

5. The fifth ground, pursuant to s.12(1)(d), alleges that the applied for mark ASIA MILES is not registrable because it is confusing with one or more of the opponent's registered marks including the mark AIR MILES and various other of the opponent's registered marks comprised in part of the word components AIR MILES. The opponent's registered mark AIR MILES covers, among other things, the following services:

advertising and promotion of wares and services of others;
organization, operation and supervision of sales and
promotional incentive schemes.

6. The sixth ground, pursuant to s.16(1)(a) and s.16(1)(b), alleges that the applicant is not entitled to register the applied for mark ASIA MILES because, at the claimed dates of first use of the mark in Canada, it was confusing with one or more of the opponent's marks including the mark AIR MILES, and various other of the opponent's marks comprised in part of the word components AIR MILES, which had been previously used in Canada or for which an application for registration had been previously filed in Canada by the opponent.

7. The seventh ground, pursuant to s.16(1)(c), alleges that the applicant is not entitled to register the applied for mark ASIA MILES because, at the claimed dates of first use of the mark in Canada, it was confusing with one or more of the opponent's trade-names including the trade-name AIR MILES, and various other of the opponent's trade-names comprised in part of the word components AIR MILES, which had been previously used in Canada by the opponent.

8. The eighth ground, pursuant to s.16(2)(a) and s.16(2)(b), alleges that the applicant is not entitled to register the applied for mark ASIA MILES because, at the date of filing the application in Canada, it was confusing with one or more of the opponent's

marks including the mark AIR MILES, and various other of the opponent's marks comprised in part of the word components AIR MILES, which had been previously used in Canada or for which an application for registration had been previously filed in Canada by the opponent.

9. The ninth ground, pursuant to s.16(2)(c), alleges that the applicant is not entitled to register the applied for mark ASIA MILES because, at the date of filing the application in Canada, it was confusing with one or more of the opponent's trade-names including the trade-name AIR MILES, and various other of the opponent's trade-names comprised in part of the word components AIR MILES, which had been previously used in Canada by the opponent.

10. The tenth ground, pursuant to s.16(3)(a) and s.16(3)(b), alleges that the applicant is not entitled to register the applied for mark ASIA MILES because, at the date of filing the application in Canada, it was confusing with one or more of the opponent's marks including the mark AIR MILES, and various other of the opponent's marks comprised in part of the word components AIR MILES, which had been previously used in Canada or for which an application for registration had been previously filed in Canada by the opponent.

11. The eleventh ground, pursuant to s.16(3)(c), alleges that the applicant is not entitled to register the applied for mark ASIA MILES because, at the date of filing the application in Canada, it was confusing with one or more of the opponent's trade-names including the trade-name AIR MILES, and various other of the opponent's trade-names comprised in part of the word components AIR MILES, which had been previously used in Canada by the opponent.

12. The twelfth ground, pursuant to s.2, alleges that the applied for mark ASIA MILES is not distinctive and is not adapted to distinguish the applicant's wares and services from those of the opponent in view of the foregoing allegations.

13. Lastly, the opponent alleges that the applied for mark ASIA MILES cannot distinguish the applicant's wares and services from those of the opponent because the applicant does not intend to use the mark ASIA MILES and/or has abandoned it.

OPPONENT'S EVIDENCE

Michael Kline

[5] Mr. Kline identifies himself as a senior executive with Loyalty Management Group Canada Inc. ("Loyalty"), the exclusive licensed user in Canada of the opponent's trade-marks, which Mr. Kline refers to collectively as the AIR MILES marks. The opponent exercises control over the character and quality of the wares and services in association with which Loyalty uses the AIR MILES marks in Canada. Further, public notice is given in advertising, publications and direct mailings that the AIR MILES marks are the property of the opponent and are used under license in Canada by Loyalty.

[6] Loyalty has provided an incentive reward program in Canada in association with the AIR MILES marks since 1992. The program involves licensed users (hereinafter "Program Sponsors") issuing AIR MILES reward miles as an incentive to customers to purchase the Program Sponsors' wares and services. The Program Sponsors pay fees to Loyalty based on the number of AIR MILES reward miles that they issue. Loyalty, on its own behalf and on behalf of the opponent, has direct or indirect control of the character and quality of the wares and services provided in association with the AIR MILES marks. Further, Program Sponsors are required to indicate in all advertising, promotional and other material depicting any of the AIR MILES marks that the opponent is the owner of the marks and that AIR MILES marks are used under license. Program Sponsors include, for example, Westjet, Travel Plus, Holiday Inns Hotels, Alamo Car Rental, IGA, Sobeys, The Liquor Control Board of Ontario, Boston Pizza, Goodyear Canada Inc., Shell, Rona, Primus, Century 21 Real Estate, PharmaPlus and Bank of Montreal. The AIR MILES marks are displayed by Program Sponsors to represent their right to issue AIR MILES reward miles.

[7] Members of the public enrol in the AIR MILES reward program as "Collectors." An individual's status as a Collector is evidenced by an AIR MILES card featuring an account number particular to the Collector. When a Collector makes a qualifying purchase, the Collector presents his card and the Collector is credited with reward miles that can be accumulated and redeemed for air travel, hotel accommodation, car rental, vacation packages, cruises and a wide array of merchandise.

[8] By 1994, one billion AIR MILES reward miles had been issued to Collectors in Canada and by 1998 one million redemption transactions had been processed in Canada. By 2007, twenty-six billion AIR MILES reward miles had been issued to Collectors in Canada and twenty-seven million redemption transactions had been processed in Canada. Since the beginning of 1998, over 65% of Canadian households have had a Collector, representing over 9 million individual Collectors. The AIR MILES reward program launch in 1992 was supported by an extensive advertising campaign and continues to be advertised on television, in print media, point of purchase advertising and other means. From 1998 to the present, Loyalty has spent over \$15 million annually on advertising the AIR MILES reward program. Total advertising was significantly higher taking into account advertising and promotion by Program Sponsors. Since 1998, revenues from the operation of the AIR MILES reward program in Canada have exceeded \$100 million annually. Mr. Kline's affidavit attaches extensive exhibit material to illustrate and support his written testimony.

[9] From my review of the exhibit material attached to Mr. Kline's affidavit, it appears that the opponent's marks which are used most often are the word mark AIR MILES and the logo shown below, both registered marks relied on by the opponent in the statement of opposition:



[10] Mr. Kline's testimony permits me to conclude that the uses of the mark AIR MILES, discussed above, inure to the benefit of the opponent by virtue of s.50(1) of the *Trade-marks Act*. I would further note that use of the above logo also qualifies as use of the word portion AIR MILES *per se*: in this regard see *Registrar of Trade-marks v. Compagnie Internationale* (1985) 4 CPR(3d) 523 (FCA); *Nightingale Interloc v. Prodesign Ltd.* (1984), 2 CPR(3d) 535 (TMOB).

Jimmy Partington

[11] Mr. Partington identifies himself as an employee of Loyalty who was responsible for media advertising for the AIR MILES reward program for the period 2000 to 2005. His evidence provides details of radio advertising and generally corroborates Mr. Kline's evidence of extensive advertising of the AIR MILES reward program.

Elizabeth Futo

[12] Ms. Futo identifies herself as an employee of Maritz Research, a marketing and survey company located in Toronto, Ontario. Maritz was commissioned by Loyalty in 2005 and 2006 to conduct surveys to track levels of awareness and of membership in various reward programs and credit card programs in the Canadian market.

[13] The first question asked in the survey was "Which one name comes to mind when you think of programs where you collect points or miles for purchases you make, and the points can be redeemed for free rewards?"

[14] The results of the survey are tabulated in Exhibits 5 and 6 of Ms. Futo's affidavit. The results indicate that the AIR MILES reward program was by far the best known, followed, in order, by HBC Rewards, SDM Optimum, AC Aeroplan, Petro Points, Sears Club and CT Options.

Cliff Swaters

[15] Mr. Swaters identifies himself as an employee of Maritz: Thompson Lightstone ("MTL," located in Toronto, Ontario) during the period June 2000 to June 2004. MTL was commissioned by Loyalty, in December 2001, to conduct a survey similar to the one conducted by Ms. Futo, discussed above. The results of the survey are tabulated in Exhibit 2 of Mr. Swaters' affidavit. The results indicate that the AIR MILES reward program was by far the best known of several reward programs offered in Canada in December 2001.

Daniel Park

[16] Mr. Park identifies himself as Project Director with Consumer Contact located in Toronto, Ontario. Consumer Contact conducts consumer and business surveys and is the entity that actually carried out the survey described by Cliff Swaters, above. The survey

was conducted by Consumer Contact “in accordance with the parameters set by Maritz: Thompson Lightstone by asking the questions provided to us [Consumer Contact] by Maritz: Thompson Lightstone.” The parameters conformed to standards for validation and accuracy.

Donald Easter

[17] Mr. Easter identifies himself as an executive with BBM Canada, a not-for-profit broadcaster research company that was jointly established in 1944 as a cooperative by Canadian broadcasters and advertisers. His evidence corroborates the wide audience reached by radio advertising for the AIR MILES reward program referred to by Mr. Partington in his affidavit.

APPLICANT’S EVIDENCE





Grace Poon

1. Affidavit Evidence

[18] Ms. Poon identifies herself as Manager, Market Development for the applicant company. The applicant was founded in 1946 and initially provided passenger airline flights within Asia. At present, the applicant provides passenger and cargo flights worldwide. In each of the years 2006 and 2007 the applicant has won industry awards for its services. The applicant started to provide flights to and from Canada in 1983. The applicant’s annual revenues, in Canadian dollars, rose steadily from about \$27 billion in 1998 to about \$75 billion in 2007.

[19] The applicant’s ASIA MILES marks, which are the subjects of these opposition proceedings, are shown below:

TRADE-MARK	APPLICATION No.	DATE OF FILING	BASIS FOR REGISTRATION
ASIA MILES	1,271,320	2005-09-08	proposed use in Canada prior use in Canada use and registration abroad

TRADE-MARK	APPLICATION No.	DATE OF FILING	BASIS FOR REGISTRATION
	1,271,440	2005-09-09	proposed use in Canada prior use in Canada use and registration abroad
	1,271,441	2005-09-09	proposed use in Canada prior use in Canada use and registration abroad
	1,276,720	2005-10-21	prior use in Canada use and registration abroad
	1,276,725	2005-10-21	prior use in Canada use and registration abroad

[20] Ms. Poon refers to the applicant's marks collectively as the ASIA MILES trade-marks and I will do likewise. Paragraph 6 of Ms. Poon's affidavit, which references the applicant's relationship with Cathay Pacific Loyalty Programmes Limited, is shown in full below:

Cathay Pacific Loyalty Programmes Limited ("CPLP") is a wholly owned subsidiary of Cathay Pacific and was set up to manage Cathay Pacific's customer loyalty programmes, including the ASIA MILES Programme. Cathay Pacific licenses the ASIA MILES Trade-marks to CPLP in respect of the wares and services applied for under the subject applications. Cathay Pacific directly or indirectly controls the character or quality of the wares distributed and the services provided by CPLP in association with the ASIA MILES Trade-marks. One way in which Cathay Pacific exercises this control is that CPLP reports directly to Cathay Pacific's Director of Sales and Marketing, who oversees the operation of CPLP. In this affidavit, Cathay Pacific and CPLP will be collectively and individually referred to as "Cathay".

[21] Members of Cathay's ASIA MILES programme earn miles that can be redeemed for rewards. The number of ASIA MILES programme members has increased from

400,000 in 1999 (of which 6,000 were Canadian residents) to 3 million in 2007 (of which 250,000 were Canadian residents). Members can earn points with over 300 partners of the applicant in 9 consumer categories including hotels, dining and retail. Members earn points by using credit cards or by purchasing a wide variety of products and services. Prior to 1999, members of the ASIA MILES programme could earn miles by flying with Canadian Airlines. From early 1999 to mid 2008, Canadian residents earned several billion miles, about 85% of which have been earned through air travel. During the same time period, Canadian residents have redeemed more than one million miles for rewards, about 85% of which have been redeemed for airline rewards (that is, free tickets or an upgrade on a ticket: see page 49 of Ms. Poon's transcript of cross-examination).

[22] Cathay has extensively advertised and promoted its ASIA MILES programme in print advertising (including application forms, members' guides and members' newsletters, direct mailings and e-mailings), radio, television, websites and membership cards, described comprehensively in paragraphs 14 to 26 of Ms. Poon's affidavit. The cost for such advertising and promotion had amounted to "several million dollars."

2. Testimony at Cross-Examination

[23] At cross-examination, Ms. Poon admitted that she is unaware of the existence of a written license agreement between the applicant and its subsidiary CPLP concerning the ASIA MILES marks, nor could she give details of the form of direct or indirect control exercised by the applicant over the wares and services provided by CPLP, other than CPLP reporting to the applicant's Director of Sales and Marketing as mentioned in paragraph 6 of her affidavit.

3. Opponent's Submissions regarding Grace Poon's Evidence

[24] A portion of the opponent's comments on Ms. Poon's evidence is found at pages 51-52 of its written argument, shown below:

. . . it is clear from the Poon Affidavit and the Exhibits to it that no public notice is given of Applicant's purported ownership of the Associated ASIA MILES Marks or that CPLP is a licensed user of those marks. In fact:

(1) The Applicant is not identified as either the owner of the Associated ASIA MILES Marks or the ASIA MILES reward program in any of the Exhibits to the Poon Affidavit;

(2) The Exhibits to the Poon Affidavit expressly state that the ASIA MILES reward program is managed and operated by Cathay Pacific Loyalty Programmes Ltd., with its business office in Hong Kong and no business office listed anywhere in Canada;

(3) The Terms and Conditions of the membership contract to be signed by persons seeking to become ASIA MILES reward program subscribers is entered into between the subscriber and CPLP and not between the subscriber and the Applicant; and is governed by the Laws of Hong Kong, with each subscriber agreeing to submit disputes he or she may have with CPLP to the non-exclusive jurisdiction of the Courts of Hong Kong;

(4) The Terms and Conditions of the membership contract to be signed by persons seeking to become ASIA MILES reward program subscribers that is entered into between the subscriber and CPLP, as well as the other advertising and promotional material appended as Exhibits to the Poon Affidavit, either do not contain any ownership information or else contain proprietary notices indicating that the material is copyrighted and owned by CPLP;

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It is obvious then that the ASIA MILES reward program and the Associated ASIA MILES Marks are in fact managed, operated and owned by CPLP and not by the Applicant; that the public identifies CPLP, and not the Applicant, as the Source of origin of the ASIA MILES reward program and the Associated ASIA MILES Marks; that no public notice has been given of any license relationship purported to exist between the Applicant and CPLP; that no evidence has been proffered to show that the Applicant in fact controls the character or quality of the wares and services with which the Associated ASIA MILES Marks are purportedly used by CPLP in Canada; and accordingly that any purported use of the ASIA MILES reward program and the Associated ASIA MILES Marks in Canada resides with CPLP and does not accrue to the Applicant under Section 50 of the Act.

[25] Of course, a trade-mark license agreement need not be in writing as a verbal agreement may suffice to meet the requirements of s.50(1) of the *Trade-marks Act*. Nevertheless, the above issues concerning licensed use by CPDL which arose at cross-examination might have been clarified by the applicant had it requested leave to file additional evidence, as permitted by Rule 44 of the *Trade-marks Regulations*. The applicant elected not to do so. Having regard to the lack of specificity in Ms. Poon's

affidavit evidence, to Ms. Poon's inability at cross-examination to speak to the terms of a license agreement, and to the exhibit material attached to Ms. Poon's affidavit, I find that there are doubts concerning the applicant's claim that CPLP has been using the ASIA MILES marks in Canada under license in compliance with s.50 of the *Trade-marks Act*. That is, the opponent has met the evidential burden on it to put into issue whether any use of the ASIA MILES marks in Canada actually accrues to the benefit of the applicant: in this regard see paragraph 37 below; also see the opposition decision in *Tune Masters v. Mr. P's Mastertune* (1986), 10 CPR(3d) 84 at 89 for the principle that the evidential burden on the opponent is relatively light concerning the issue of non-compliance with s.30(b) of the *Act*. The legal onus therefore falls on the applicant to establish that it has in fact used the applied for mark ASIA MILES in Canada. In this regard, I find that the weight of the evidence does not support the applicant's claim that use of the mark ASIA MILES in Canada accrues to the benefit of the applicant.

PARTIAL REFUSAL OF THE APPLICATION

[26] In view of the foregoing, the subject application is refused, pursuant to the second ground of opposition which relies on s.30(b) of the *Trade-marks Act*, for each of the wares and services for which the applicant claims use of its mark ASIA MILES in Canada. Accordingly, the application is refused for the wares denoted by (1) to (7) and (9) and for the services denoted by (1).

[27] With respect to the portion of the application based on proposed use, it is reasonable to assume, in the absence of evidence to the contrary, that at the time of filing the application the applicant intended to use the mark ASIA MILES in Canada in the same manner in which it has based its claims to use of the mark in Canada. That is, use of the mark would have accrued to the benefit of CPDL rather than to the applicant. Accordingly, the application is refused, pursuant to the fourth ground of opposition relying on s.30(e), for the wares denoted by (8) and for the services denoted by (2). In this regard, the evidential onus on the opponent is relatively light in respect of s.30(e): see, for example, *Green Spot Co. v. J.B. Food Industries* (1986), 13 CPR(3d) 206 at 210-211 (TMOB).

[28] The remaining portion of the subject application is based on use and registration of the applied for mark in Hong Kong, China for the wares denoted by (10) and for the services denoted by (3). However, it is apparent on a fair reading of the evidence of record that the wares cited in the application are incidental to and complement the services rather than stand alone wares. As noted by the opponent at page 74 of its written argument, the applied for ASIA MILES marks “are not ‘used’ in a trade-mark sense for the litany of wares . . . in the Application, but just for advertising and promoting a loyalty recognition programs[sic].” I agree with the opponent that the wares are stated overly broadly and are therefore not in compliance with s.30(a) as pleaded in the first ground of opposition. The wares denoted by (10) are therefore refused. The wares denoted by (1) to (9) might have been refused for the same reason.

[29] The relevant grounds of opposition in respect of the remaining portion of the application (that is, the services denoted by (3)) are those alleging non-registrability, non-entitlement and non-distinctiveness, each of which turns on the issue of confusion between the applied for mark ASIA MILES and the opponent’s mark AIR MILES. In order to assess the issue of confusion, it is necessary to consider the balance of the parties’ evidence.

APPLICANT’S EVIDENCE

Jeffrey E. Coles

[30] Mr. Coles identifies himself as a student at law with the firm representing the applicant. Between April 2 and May 2, 2008, he located websites on the Internet displaying several registered trade-marks, comprised of the component MILE, used in association with frequent flyer programmes (7 marks), hotel reward programs (4 marks), shopping and merchandise (1 mark), charitable services (1 mark) and taxi transportation (2 marks). Between May 16 and 21, he conducted a similar search for business names whose services related to travel (9 businesses). Between May 16 and 28, he located nineteen websites, with domain names comprised of the component MILE, which sell or advertise wares or services relating to airline and travel services and reward or loyalty programmes available in Canada, or hyperlinks to such websites. Between May 22 and 28, he located eleven websites wherein trade-marks containing the component MILE are

shown in association with wares or services relating to airline and travel services and reward or loyalty programmes available in Canada.

[31] Mr. Cole has also located (i) some uses of the term “air miles” in a generic sense to indicate free air travel through a customer loyalty program, and (ii) definitions of the term “air mile” as a nautical measure of distance (6076 ft.).

Caroline D’Amours

[32] Ms. D’Amours identifies herself as a Research Analyst employed by Thomson Canada Limited. On March 12 and 13, 2008, she performed a search to determine whether the word MILE or MILES was common in the context of travel and loyalty/reward programs. The search is divided into two parts, a common law search and a domain name search. The common law search located trade-marks, trade-names or company names comprised of the component MILE. The results of her search are presented *en liasse* as exhibits to her affidavit.

Eileen Castellano

[33] Ms. Castellano identifies herself as a trade-mark searcher with the firm representing the applicant. On March 11, 2008, she conducted a computer assisted search of records maintained by the Canadian Trade-marks Office for trade-marks and official marks comprised of the component MILE for use in association with travel related wares/services and loyalty/reward programs. Excluded from the search were marks owned by the applicant or the opponent. Her search revealed 33 such marks presented *en liasse* as exhibits to her affidavit. From my review of the exhibit material, the 33 marks consist of 12 applications and 21 registrations standing in the names of 26 different owners. One of the registrations (No. TMA536, 901) may be discounted as the component MILE is hardly perceptible.

Missing Evidence

[34] I would mention that the Board moved offices shortly before the oral hearing and during that time the applicant’s evidence went astray. The applicant kindly provided copies of its original evidence for the hearing. The original documents are still missing.

My decisions herein are based on the original evidence which I reviewed prior to the hearing.

OPPONENT'S REPLY EVIDENCE

Lucy Rooney

[35] Ms. Rooney identifies herself as a trade-marks clerk with the firm representing the opponent. On June 10, 2009, she accessed the on-line trade-mark database maintained by the Canadian Intellectual Property Office (this Board is part of that Office) to download information pertaining to various trade-marks. Her evidence indicates that six of the registrations located by Ms. Castellano have been expunged for reason of non-use; two applications are being opposed by the opponent herein; and one application (for the mark SEA MILES) was refused by the Registrar as a consequence of an opposition proceeding commenced by the opponent herein.

[36] Consequently, Ms. Castellano's findings may be discounted to 14 registrations and 12 applications standing in the names of 20 different owners. The remaining marks include, for example, DIVIDEND MILES PROGRAM (owned by U.S. Airways); MILE POSTS (owned by Pennsylvania Turnpike); MILES WITH A MISSION (owned by Taximiles Inc.); RENTMILES (owned by Rent Check Corp.); and MILES & MORE (owned by Deutsche Lufthansa). Subsequent to Ms. Rooney's search, the applications for RENTMILES and MILES & MORE have been refused in opposition proceedings initiated by the opponent herein.

LEGAL ONUS AND EVIDENTIAL BURDEN

[37] The legal onus is on the applicant to show that the application does not contravene the provisions of the *Trade-marks Act* as alleged by the opponent in the statement of opposition. The presence of a legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant. However, there is also, in accordance with the usual rules of evidence, an evidential burden on the opponent to prove the facts inherent in its allegations pleaded in the statement of opposition: see *John Labatt Limited v. The*

Molson Companies Limited, 30 CPR (3d) 293 at 298 (FCTD). The presence of an evidential burden on the opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist.

MAIN ISSUE & MATERIAL DATES

[38] As noted earlier, the main issue remaining in this opposition is whether the applied for mark ASIA MILES, for the services shown below, is confusing with the opponent's mark AIR MILES.

services (based on use and registration in Hong Kong)
air passenger transport services; tourist office and travel agency services for arranging travel; package holiday services namely travel and hotel arrangement and reservation; provision of tourist information; air cargo transport services; courier services for cargo and goods; courier services for messages and letters; transport and delivery of goods by air; transport of passengers' vehicles by air; luggage storage services; vehicle rental and charter services; handling of baggage; booking services for hotel accommodation.

[39] The legal onus is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of s.6(2) of the *Trade-marks Act*, shown below, between the applied for mark and the opponent's mark:

The 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 . . . or performed by the same person, whether or not the wares or services . . . are of the same general class.

[40] Thus, s.6(2) does not concern the confusion of the marks themselves, but confusion of goods or services from one source as being from another source. In the instant case, the question posed by s.6(2) is whether there would be confusion of the applicant's services provided under the mark ASIA MILES as services emanating from or sponsored by or approved by the opponent.

[41] The material dates to assess the issue of confusion are (i) the date of decision, with respect to the ground of opposition alleging non-registrability; (ii) the date of filing

the amended application, with respect to the ground of opposition alleging non-entitlement, in this case October 5, 2005; and (iii) the date of filing the statement of opposition, in this case March 19, 2007, in respect of the ground of opposition alleging non-distinctiveness: for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v. Canadian Retired Persons* (1998), 84 CPR(3d) 198 at 206 - 209 (FCTD).

TEST FOR CONFUSION

[42] The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are “all the surrounding circumstances including” those specifically mentioned in s.6(5)(a) to s.6(5)(e) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive and all relevant factors are to be considered. Further, all factors do not necessarily have equal weight as the weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 CPR(3d) 308 (FCTD). However, as noted by Mr. Justice Rothstein in *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 92 CPR(4th) 361 (SCC), although the degree of resemblance is the last factor cited in s.6(5), it is the statutory factor that is often likely to have the greatest effect in deciding the issue of confusion.

CONSIDERATION OF S.6(5) FACTORS

Inherent and Acquired Distinctiveness

[43] The opponent’s mark AIR MILES possesses a fairly low degree of inherent distinctiveness as it is comprised of two common words. The inherent distinctiveness of the opponent’s mark is further lessened as the word “miles” is in common use to describe the points accumulated in various loyalty reward programs. Thus, the opponent’s mark is to some extent suggestive of a loyalty reward program. Similarly, the applied for mark ASIA MILES possesses a fairly low degree of inherent distinctiveness as it is suggestive

of a loyalty reward program restricted to Asia. As noted earlier, the applicant has not established that any use of the mark ASIA MILES in Canada accrues to its benefit. Accordingly, the applicant cannot claim the benefit of any acquired distinctiveness for the mark ASIA MILES at any material time. Based on the evidence of record, I infer that the opponent's mark AIR MILES was very well known in Canada, if not famous in Canada, at all material times. Thus, the first factor in s.6(5), which is a combination of the inherent and acquired distinctiveness of the parties' marks, strongly favours the opponent.

[44] I would add that the evidence submitted by the applicant is not persuasive that third party use of trade-marks incorporating the component MILES, or use of the word "miles" as a term indicative of "points" in loyalty reward programs, or isolated instances of generic use of the term "air miles," has significantly diminished the acquired distinctiveness of the opponent's mark AIR MILES.

[45] Counsel for the applicant has argued that the opponent's survey evidence is inadmissible because Mr. Swaters and Ms. Futo were not directly involved in carrying out the surveys, and because their evidence is deficient in providing background information concerning the conduct of the surveys. There is some merit in the applicant's concerns, however, such concerns go the weight of the evidence rather than to its admissibility. In any event, even if I had found that the opponent's survey evidence was inadmissible, I would nevertheless still have inferred, based on the remainder of the opponent's evidence, that the opponent's mark AIR MILES was very well known in Canada at all material times.

Length of Time in Use

[46] The second factor in s.6(5), which is the length of time that the marks in issue have been in use, also favours the opponent. In this regard, the opponent began to use its mark AIR MILES in Canada about 13 years before the applicant filed that portion of the subject application based on use and registration of the mark in Hong Kong.

Nature of the Parties' Services, Businesses and Trades

[47] I am in general agreement with the opponent's submissions at pages 85-86 of its written argument that the parties operate "essentially the same sort of customer reward program" and that they do so in essentially the same way. As the applicant's services (see paragraph 38) are closely aligned with a reward program, the third and fourth factors of s.6(5), considered together, weigh in favour of the opponent.

Degree of Resemblance

[48] The two components of the opponent's mark namely, AIR and MILES, are both fairly equally dominant and the same is true for the two components of the applied for mark ASIA MILES. Thus, there is necessarily a fair degree of resemblance between the marks AIR MILES and ASIA MILES as they share the same component MILES as a suffix. Ordinarily, the first portion of a mark is somewhat more important for the purposes of distinction, however, when the first component is a common, descriptive or suggestive word, the significance of the first component decreases: see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD); *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.*, (1991), 37 CPR (3d) 413 (FCA); *Phantom Industries Inc. v. Sara Lee Corp.* (2000), 8 CPR (4th) 109 (TMOB). Thus, as the word ASIA is descriptive of a geographical area, its importance in distinguishing the applicant's mark from the opponent's mark AIR MILES is diminished.

[49] Nevertheless, when the marks AIR MILES and ASIA MILES are considered in their entireties, they are more different than alike visually and in sounding owing to the different first portions of the marks, although less so in ideas suggested. In this respect, the mark AIR MILES suggests travel by air while the mark ASIA MILES suggests travel in a particular region. In summary, the marks in issue resemble each other to a fair degree but nevertheless they are more different than alike. Thus, the final factor in s.6(5) weighs in favour of the applicant, but only to a limited extent.

[50] In a recent opposition proceeding involving the present opponent, reported as *Air Miles International Trading B. V. v. Deutsche Lufthansa AG* (2010), 89 CPR(4th) 230, the applied for mark MILES & MORE covered services which included "administration of

incentive reward programs promoting the use of airlines. ” In refusing the application, the Board commented as follows at paragraph 74 of the reported decision:

It has been said that the most crucial or dominant factor in determining the issue of confusion is the degree of resemblance between the trade-marks (see *Beverley Bedding & Upholstery Co. v. Regal Bedding & Upholstering Ltd.* (1980), 47 CPR (2d) 145 (FCTD) at 149, affirmed 60 CPR (2d) 70 (FCA)). In the present case, at first blush the differences between AIR MILES and MILE[sic] & MORE might seem sufficient to make confusion unlikely. However, it is my view that the Opponent has established an almost overwhelming reputation in its AIR MILES mark and, even though “miles” is a term [synonymous with “points”] employed in the associated industry, I am concerned that the Applicant has not chosen a mark that is sufficiently different from the Opponent’s well known mark nor acquired a sufficient reputation in its inherently weak mark to make confusion unlikely.
(emphasis added)

[51] Similarly, in the instant case, (i) the opponent has established an almost overwhelming reputation for its mark AIR MILES, and (ii) the applied for mark ASIA MILES is different, but not especially different, from the opponent’s mark and (iii) the applicant is unable to claim any reputation for its mark in Canada. I therefore share the same concern in the instant case that was expressed by the Board in *Deutsche Lufthansa*, above.

CONCLUSION

[52] Considering that the opponent has used its mark AIR MILES very extensively and for a long period, that the applicant cannot claim any reputation for its mark in Canada, that there is considerable overlap in the services associated with the marks in issue and that there is a fair degree of resemblance between the marks in issue (even though they are more different than alike), I find that at all material times the applicant has failed to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the applied for mark ASIA MILES and the opponent’s mark AIR MILES with respect to the services denoted by (3). Accordingly, the opponent succeeds on the fifth ground of opposition based on s.12(1)(d), on the eighth ground of opposition based on s.16(2)(a), and on the twelfth ground of opposition based on s.2.

[53] In view of the foregoing, application No.1,271,320 for the mark ASIA MILES is refused in its entirety and it is not necessary to consider the remaining grounds of opposition.

APPLICATION No.1,271,440 for ASIA MILES & Design

[54] The application for ASIA MILES & Design, illustrated in paragraph 19 above, was filed on September 9, 2005, was advertised in the *Trade-marks Journal* on October 18, 2006 and was opposed on November 6, 2006.

[55] The application covers the same wares and services, with the same corresponding bases for registration, as the application for ASIA MILES, considered above. The pleadings, issues, and evidence of record are essentially the same as in the ASIA MILES opposition and the material dates are not significantly different. The findings that were made in the ASIA MILES opposition and the reasoning that was applied in the ASIA MILES opposition are equally relevant to application No.1,271,440. In this regard, I do not consider that the stylized A design feature of the mark significantly adds to the inherent distinctiveness of the mark or significantly distinguishes it from the opponent's mark AIR MILES.

[56] Accordingly, as in the ASIA MILES opposition, above, the portions of the application for the wares denoted (1) to (7) and (9) are refused pursuant to the grounds of opposition alleging non-compliance with s.30(a) and s.30(b) of the *Trade-marks Act* while the portion of the application for the wares denoted by (8) is refused pursuant to s.30(e) and s.30(a). The portion of the application for the services denoted by (1) is refused for non-compliance with s.30(b); the services denoted by (2) are refused for non-compliance with s.30(e); and the services denoted by (3) are refused on the grounds of opposition alleging non-registrability, non-entitlement and non-distinctiveness.

[57] Application No.1,271,440 for ASIA MILES & Design is therefore refused in its entirety.

APPLICATION No.1,271,441 for ASIA MILES & Design

[58] The application for ASIA MILES & Design, illustrated in paragraph 19 above, was filed on September 9, 2005, was advertised in the *Trade-marks Journal* on March 14,

2007 and was opposed on March 23, 2007. The application covers the same wares and services, with the same corresponding bases for registration, as the application for ASIA MILES, considered above. The pleadings, issues, and evidence of record are essentially the same as in the ASIA MILES opposition and the material dates are not significantly different. My comments in respect of the opposition to application No.1,271,440, above, are equally applicable in respect of the opposition to application No.1,271,441 and the same result follows. Accordingly, application No.1,271,441 for ASIA MILES & Design is refused in its entirety.

APPLICATION No.1,276,720 for ASIA MILES & Design

[59] The application for ASIA MILES & Design, illustrated in paragraph 19 above, was filed on October 21, 2005, was advertised in the *Trade-marks Journal* on October 18, 2006 and was opposed on November 6, 2006. The application covers only the services shown below, which are closely related to the services in application No.1,271,320 for ASIA MILES and are essentially the same as the opponent's services:

promoting of travel and airline services through the organization, operation, management and supervision of loyalty and incentive schemes and sales and promotional incentive schemes; provision of a travel reward and customer loyalty program; organization, operation, management and supervision of customer loyalty and incentive programs; organization, operation and supervision of sales and promotional incentive schemes; promotional information and advisory services provided to members and to subscribers of incentive loyalty schemes and travel reward programs, and customer advisory services relating to the provision of information pertaining to account balances and transaction details thereof, on-line auction services.

[60] The bases for registration are twofold namely, use of the mark in Canada since February 1999 and use and registration of the mark in Hong Kong, China. The pleadings, issues, and evidence of record overlap with those in the ASIA MILES opposition and the material dates are not significantly different. The findings that were made in the ASIA MILES opposition and the reasoning that was applied in the ASIA MILES opposition are equally relevant to application No.1,276,720. Further, as noted earlier, the stylized A design feature of application No.1,276,720 does not significantly add to the inherent

distinctiveness of the mark or significantly distinguish it from the opponent's mark AIR MILES.

[61] Accordingly, the portion of the application based on prior use in Canada is refused pursuant to s.30(b) of the *Trade-marks Act* and the portion of the application based on use and registration abroad is refused because I find that, at all material times, the applied for mark was confusing with the opponent's mark AIR MILES. Application No.1,276,720 for ASIA MILES & Design is therefore refused.

APPLICATION No.1,276,725 for ASIA MILES & Design

[62] The application for ASIA MILES & Design, illustrated in paragraph 19 above, was filed on October 21, 2005, was advertised in the *Trade-marks Journal* on October 18, 2006 and was opposed on November 6, 2006. The application covers the same services, with the same twofold bases for registration, as application No.1,276,720, considered above. The pleadings, issues, and evidence of record are essentially the same as in the opposition to ASIA MILES, and the material dates are not significantly different. My comments in respect of the opposition to application No.1,276,720, above, are equally applicable in respect of the opposition to application No.1,276,725 and the same result follows. That is, application No.1,276,725 for ASIA MILES & Design is refused.

OPPONENT'S FURTHER SUBMISSIONS

[63] The opponent has also argued that the ASIA MILES word and design marks "should be set aside as a nullity from the outset" because (i) application Nos.1,271,441 and 1,271,440 both rely on the same Chinese registration (No. 2000B07745AA) and (ii) application Nos.1,276,725 and 1,276,720 both rely on the same Chinese registration (No.300505467). The opponent argues that "on the plain wording of s.16(2)" of the *Trade-marks Act*, shown below, a party cannot rely on one foreign registration to support two different Canadian trade-marks:

Any applicant who has filed an application in accordance with section 30 for registration of a trade-mark that is registrable and that the applicant or the applicant's predecessor in title has duly registered in or for the country of origin of the applicant and has

used in association with wares or services is entitled, subject to section 38, to secure its registration in respect of the wares or services in association with which it is registered in that country and has been used, unless at the date of filing of the application in accordance with section 30 it was confusing with

- (a) a trade-mark that had been previously used in Canada or made known in Canada by any other person;
- (b) a trade-mark in respect of which an application for registration had been previously filed in Canada by any other person; or
- (c) a trade-name that had been previously used in Canada by any other person.

[64] On my reading of s.16(2), it is not at all clear that a party is prohibited from relying on one foreign registration to support two different Canadian trade-marks. Further, s.14(2) permits minor variations in the Canadian mark from the foreign mark:

14(1) Notwithstanding section 12, a trade-mark that the applicant or the applicant's predecessor in title has caused to be duly registered in or for the country of origin of the applicant is registrable if, in Canada,

.

(2) A trade-mark that differs from the trade-mark registered in the country of origin only by elements that do not alter its distinctive character or affect its identity in the form under which it is registered in the country of origin shall be regarded for the purpose of subsection (1) as the trade-mark so registered.

(emphasis added)

[65] Certainly in the instant case it is arguable that application No.1,271,441 is a minor variation of application No.1,271,440 and that application No.1,276,725 is a minor variation of application No.1,276,720: in this regard, see *Promafil Canada Ltée v. Munsinger Inc.* (1992), 44 CPR(3d) 59 at 71(FCA) which endorses the approach that "cautious variations [to a trade-mark] can be made without adverse consequences."

[66] Further, during the initial application examination process the Registrar would have considered the applicant's right to base the Canadian trade-mark application on its foreign registration: see s.31(1) of the *Trade-marks Act*, below.

An applicant whose right to registration of a trade-mark is based on a registration of the trade-mark in another country of the Union shall, before the date of advertisement of his application in accordance with section 37, furnish a copy of the registration certified by the office in which it was made, together with a

translation thereof into English or French if it is in any other language, and such other evidence as the Registrar may require to establish fully his right to registration under this Act.

(emphasis added)

I do not have jurisdiction, in the instant cases, to revisit the Registrar's decisions made under s.31(1) as I do not find that the Registrar made clear errors of law (or errors in interpretation of facts) in permitting the applications for the ASIA MILES word and design marks to proceed to advertisement: see *Magill v. Taco Bell Corp.* (1991), 31 CPR(3d) 221 at 226 (TMOB). In view of the foregoing, I decline to find that the ASIA MILES word and design mark applications are a nullity from the outset.

DISPOSITION

[67] In view of the above, application Nos.1,271,320; 1,271,440; 1,271,441; 1,276,720; and 1,276,725 are refused. These decisions have been made pursuant to a delegation of authority under s.63(3) of the *Trade-marks Act*.

Myer Herzig
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office