



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

Citation: 2010 TMOB 198
Date of Decision: 2010-11-22

**IN THE MATTER OF AN OPPOSITION
by Air Miles International Trading B.V.
to application No. 1,188,211 for the trade-
mark MILES & MORE in the name of
Deutsche Lufthansa AG**

[1] On August 22, 2003, Deutsche Lufthansa AG (the Applicant) filed an application to register the trade-mark MILES & MORE (the Mark) in association with services based both on use of the Mark in Canada since at least as early as September 1993 and on use and registration of the Mark in Germany.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of May 19, 2004.

[3] On October 19, 2004, Air Miles International Trading B.V. (the Opponent) filed a statement of opposition. The Applicant filed and served a counter statement in which it denied the Opponent's allegations.

[4] In support of its opposition, the Opponent filed affidavits of Michael Kline, Jimmy Partington, Cliff Swaters, Daniel Park and Donald Easter. The Applicant obtained an order to cross-examine each of these affiants but only cross-examined Messrs. Kline and Swaters. Transcripts of their cross-examinations have been filed.

[5] In support of its application, the Applicant filed affidavits of Jane Griffith, Mary P. Noonan and Gabriele Petsche. The Opponent obtained an order to cross-examine each of these affiants, and transcripts of all three cross-examinations have been filed, together with answers to undertakings.

[6] As reply evidence, the Opponent filed an affidavit of Lucy Rooney. The Applicant obtained an order to cross-examine Ms. Rooney and a transcript of her cross-examination has been filed, together with answers to undertakings.

[7] To the extent that any of the affidavits contain inappropriate argument, opinion or conclusions, they are being disregarded.

[8] Both parties filed a written argument and both were represented at an oral hearing.

Preliminary Issues

[9] By letter dated June 24, 2010, the Applicant filed an amended application, wherein it amended its services to delete the words “and credit cards”. Such an amendment is acceptable under the *Trade-marks Regulations*, SOR/96-195 and, as it was filed only six days prior to the oral hearing, I simply advised the parties at the hearing that the amendment is being made of record. Accordingly, the applied-for services (the Services) are now: “transport and storage services, namely administration of incentive award programs promoting the use of airlines, hotels, rental cars; transport of persons by air; travel agency services, namely, making reservations and bookings for transportation and rental cars; and making hotel reservations for others.”

[10] By letter dated November 1, 2007, the Opponent requested a ruling concerning the “re-examination” portion of the cross-examination of Ms. Petsche, namely Question 325 and onwards. The Opponent’s objection is three-fold: 1) such evidence goes beyond simply a re-examination and serves as the introduction of new evidence; 2) an opportunity has not been granted to cross-examine on those re-examination answers; and 3) the evidence tendered in re-examination was apparently available at the time that the Petsche affidavit was sworn and could have thus been produced as part of that affidavit.

[11] The Opponent has also requested a ruling on the introduction by the Applicant of Exhibit “D” at the Petsche cross-examination. In her affidavit, Ms. Petsche introduced as Exhibit “B” a black and white copy of a welcome letter and member brochure that the Applicant mailed to customers. The item introduced as Exhibit “D” at Ms. Petsche’s cross-examination was the original colour version of that member brochure. The Opponent objected to the introduction of that exhibit both during the cross-examination (Questions 334 and onwards), in its letter of November 1, 2007, and at the oral hearing.

[12] Neither party provided any case law regarding the issue of whether the impugned Exhibit “D” should remain in the record. In my view, the inclusion of Exhibit “D” would not materially alter the outcome of this proceeding and at the oral hearing the Applicant’s agent appeared to agree with me on this point. For that reason alone, I chose to return Exhibit “D” to the Applicant at the oral hearing, rather than unnecessarily belabour the issue further.

[13] The primary focus of Ms. Petsche’s re-examination was the colours used in the Exhibit “D” brochure and covering letter. I therefore consider the re-examination, like Exhibit “D”, to have no consequence on the outcome of the case as a whole, and so I shall not consider it further.

Summary of Grounds of Opposition and Applicable Material Dates

[14] The Opponent has pleaded the following grounds of opposition pursuant to s. 38(2)(a) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act):

1. the application does not comply with s. 30(a) in that the application does not contain a statement in ordinary commercial terms of the specific services in association with which the Mark is alleged to have been used;
2. the application does not comply with s. 30(b) in that the Applicant has not used the Mark in Canada since the claimed date in association with each of the classes of services described in the application;
3. the application does not comply with s. 30(d) in that (a) the Mark has not been used by the Applicant in Germany as alleged and (b) the Mark has not been registered by the Applicant in Germany as alleged;
4. the application does not comply with s. 30(i) in that the Applicant, in light of the allegations contained in the statement of opposition, could not have been satisfied that it was entitled to use the alleged Mark in Canada.

[15] The Opponent has also pleaded the following ground of opposition pursuant to s. 38(2)(b) of the Act:

1. the Mark is not registrable pursuant to s. 12(1)(d) in that it is confusing with numerous registered trade-marks identified in Schedule “A” to the statement of opposition, which are owned by the Opponent (these marks include AIR MILES TMA443,821, MEGA MILES TMA496,228, AIR MILES TRAVEL AND MORE & Design TMA552,635, and TRAVEL & MORE TMA552,641).

[16] In addition, the Opponent has pleaded the following grounds of opposition pursuant to s. 38(2)(c) of the Act:

1. the Applicant is not entitled to registration of the Mark pursuant to s. 16(1)(a), 16(1)(b), 16(2)(a) and 16(2)(b), in that at the date of alleged first use in Canada and on the date on which the application was filed, the Mark was confusing with numerous trade-marks identified in Schedule “B” to the statement of opposition, which had been previously used in Canada by the Opponent and/or for which an application for registration had been previously filed in Canada by the Opponent;
2. the Applicant is not entitled to registration of the Mark pursuant to s. 16(1)(c) and 16(2)(c), in that at the date of alleged first use in Canada and on the date on which the application was filed, the Mark was confusing with six trade-names identified in Schedule “C” to the statement of opposition, which had been previously used in Canada by the Opponent in association with “the business of licensing the operation of AIR MILES® reward Program in Canada pursuant to which consumers may obtain AIR MILES reward miles (“AMRM”) by purchasing goods and services from participating sponsors and redeem AMRM for air travel and other goods and services.”

[17] Finally, the Opponent has pleaded the following grounds of opposition pursuant to s. 38(2)(d) of the Act:

1. the Mark is not distinctive within the meaning of s. 2 in that it does not distinguish and is not adapted to distinguish the Applicant’s alleged services from (a) the business, wares and services of the Opponent; (b) the Opponent’s registered trade-marks referred to in Schedule “A”; (c) the Opponent’s trade-marks referred to in Schedule “B”, (d) the Opponent’s trade-names referred to in Schedule “C”, and (e) such further and other of the Opponent’s trade-marks and trade-names used in Canada by the Opponent on or before the time of the Opposition Board’s determination in this proceeding;

2. the Applicant's alleged Mark is not distinctive within the meaning of s. 2 in that the Applicant (a) does not use the Mark in Canada and/or (b) has abandoned the Mark.

[18] The material dates with respect to the grounds of opposition are as follows:

- s. 38(2)(a)/30 - the filing date of the application [*Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.) at 475];

- s. 38(2)(b)/12(1)(d) - the date of my decision [*Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)];

- s. 38(2)(c)/16(1)(a), (b) and (c) - the date of first use claimed by the Applicant;

- s. 38(2)(c)/16(2)(a), (b) and (c) - the filing date of the application;

- s. 38(2)(d) - the date of filing of the opposition [*Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)].

Onus

[19] 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].

Summary of the Evidence

[20] I will very briefly summarize the nature of the key portions of each of the affidavits; greater detail will be provided where necessary within my discussion of the various grounds of opposition.

i) Opponent's Rule 41 Evidence

Kline Affidavit

[21] Mr. Kline is the Senior Vice President, Legal Services and Secretary at Loyalty Management Group Canada Inc. (Loyalty), which is the exclusive licensed user in Canada of the Opponent's various trade-marks, including AIR MILES, AIR MILES TRAVEL & MORE & Design and TRAVEL & MORE. Mr. Kline provides voluminous evidence of the use and promotion of the Opponent's marks in Canada.

Partington Affidavit

[22] Mr. Partington is Senior Manager, Virtual Retail, Loyalty and Marketing Services at Loyalty. He provides details of radio advertisements used to promote the Opponent's AIR MILES reward program in Canada between January 2002 and December 2004.

Swaters Affidavit

[23] Mr. Swaters is Vice President of Maritz Research, which is a full service marketing and survey research organization in Toronto. He adopts the contents of an affidavit that he swore in another proceeding in December 2003. That affidavit concerned a telephone survey conducted across Canada in December 2001 to track levels of awareness of and membership in various reward programs and credit card programs.

Park Affidavit

[24] Mr. Park is a Project Director with Consumer Contact, which conducts quantitative surveys. He adopts the contents of an affidavit that he swore in another proceeding in December 2002. That affidavit concerned a survey conducted relating to the awareness of the AIR MILES reward program.

Easter Affidavit

[25] Mr. Easter is Vice President, Internal Operations and Television of the Bureau of Broadcast Measurement (BBM), which is a not-for-profit broadcast research company in Toronto. He adopts the contents of an affidavit that he swore in another proceeding in December 2002. That affidavit provided radio audience figures for various AIR MILES advertisements.

ii) Applicant's Rule 42 Evidence

Petsche Affidavit

[26] Ms. Petsche is Coordinator, Miles & More North America with the Applicant. She provides information concerning the Applicant's business and its MILES & MORE program.

Griffith Affidavit

[27] Ms. Griffith is a professional researcher employed as the Senior Research Consultant by the Bedford Consulting Group Inc. Pursuant to instructions from the Applicant's legal counsel, she researched the use of the word "miles" and also the word "more" in promotional materials for customer loyalty programs available to Canadians. As revealed during cross-examination, she focussed her research on the activities of third parties and did not report on use by the Opponent or Applicant.

Noonan Affidavit

[28] Ms. Noonan is a trade-mark searcher employed by the Applicant's law firm. On January 30, 2007, she conducted searches of the Trade-marks Office's records for active third party trade-marks involving the component MILES or the component MORE associated with certain services. She provides register pages regarding the marks that she located.

iii) Opponent's Reply Evidence

Rooney Affidavit

[29] Ms. Rooney is a trade-mark clerk with the Opponent's law firm. She provides information concerning cancellation actions commenced against certain Canadian trade-mark registrations.

Section 30(a) Ground of Opposition

[30] The Opponent's initial evidential burden under s. 30(a) is a light one and may be met simply through argument [see *McDonald's Corporation and McDonald's Restaurants of Canada Ltd. v. M.A. Comacho-Saldana International Trading Ltd. carrying on business as Macs International* (1984), 1 C.P.R. (3d) 101 at 104 (T.M.O.B.)]. In the present case, I find that neither the Opponent's evidence nor its argument meets its initial burden. The s. 30(a) ground is accordingly dismissed.

Section 30(b) Ground of Opposition

[31] The Opponent's initial burden is also light respecting the issue of non-conformance with s. 30(b) [*Tune Masters v. Mr. P's Mastertune Ignition Services Ltd.* (1986), 10 C.P.R. (3d) 84 (T.M.O.B) at 89]. Its burden can be met by reference not only to the Opponent's evidence but also to the Applicant's evidence [*Labatt Brewing Company Limited v. Molson Breweries, a Partnership* (1996), 68 C.P.R. (3d) (F.C.T.D.) 216 at 230]. However, while the Opponent may rely upon the Applicant's evidence to meet its evidential burden in relation to this ground, the Opponent must show that the Applicant's evidence is 'clearly' inconsistent with the Applicant's claims as set forth in its application.

[32] Here, the Opponent seeks to meet its initial burden based on Mr. Kline's evidence of the Applicant's now expunged registration No. TMA429,963 for LUFTHANSA MILES AND MORE and now abandoned application No. 1,043,134 for MILES & MORE. The Opponent's position is that the Applicant's claims regarding use in that registration and application contradict its claim of use in the present application. However, I consider submissions based on registration No. TMA429,963 to be irrelevant since that registration was not for the Mark that is

the subject of this proceeding. Although the now abandoned proposed-use application No. 1,043,434 was for the same trade-mark as that which is the subject of the present proceeding, I am satisfied by the Applicant's explanation that the discrepancies exist simply because that application contained an error. Moreover, I find that the Applicant's own evidence is not clearly inconsistent with its use claim; instead I find that Ms. Petsche's evidence is consistent with the date of first use claimed in the application.

I should add that the Opponent has also submitted i) that the lack of evidence of anyone having received a reward under the MILES & MORE program in Canada as of September 1993 is an admission that the Mark was not used in association with the applied-for services and ii) that the evidence shows that the Applicant's services would not be performed inside Canada since the Applicant is located abroad. However neither of these points means that the Applicant was not using its Mark in Canada as of September 1993. Services should be interpreted broadly [see *Société Nationale des Chemins de Fer Français SNCF v. Venice Simplon-Orient-Express Inc. et al.* (2000), 9 C.P.R. (4th) 443 (F.C.T.D.)] and it is not necessary that the services had actually been performed as of the date of first use claimed – the Mark was used in association with the services in accordance with s. 4(2) of the Act if the services were offered to prospective customers in Canada and were available to be performed in Canada [see *Wenward (Canada) Ltd. v. Dynaturf Co.* (1976), 28 C.P.R. (2d) 20 (T.M.O.B.)]. In the present case, it appears clear that an individual in Canada could request the performance of each of the Services as of the claimed date of first use. Even though the request might be handled from abroad, the requested service would be effectively performed in Canada. For example, mailings received by Canadians setting out the status of their membership in the MILES & MORE program qualify as use of the Mark with respect to the administration services listed in the application, even though the mailings were posted from Germany. Similarly, if an individual in Canada requested a car rental and received a rented car in Canada, then the services of “making reservations and bookings” would have been performed in Canada, even though the entity arranging the rental was located outside of Canada.

[33] For the reasons set out above, the s. 30(b) ground is dismissed.

Section 30(d) Ground of Opposition

[34] The s. 30(d) ground of opposition is also dismissed because the Opponent has not met its initial burden in respect thereof.

Section 30(i) Ground of Opposition

[35] Where an applicant has provided the statement required by s. 30(i), a s. 30(i) 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] The Applicant has provided the necessary statement and this is not an exceptional case; the s. 30(i) ground is accordingly dismissed.

Likelihood of Confusion

[36] The issue of the likelihood of confusion is the basis of the remaining grounds of opposition. I will begin by assessing it under the s. 12(1)(d) ground as of today's date, focussing on the Opponent's registered trade-mark AIR MILES.

[37] The Opponent has met its initial burden because its registration for AIR MILES, No. TMA443,821, is extant. I note that on February 4, 2010, the statement of wares and services in that registration was reduced pursuant to a s. 45 proceeding to the following services: "advertising and promotion of wares and services of others; organization, operation and supervision of sales and promotional incentive schemes".

[38] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[39] In applying the test for confusion, I must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b)

the length of time each has been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See, in general, *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.).]

inherent distinctiveness of the trade-marks and the extent to which they have become known

[40] Neither mark clearly describes the character or quality of the associated services, but they are both somewhat suggestive of a reward program where a member can accumulate “miles” and redeem such “miles” for rewards, including air travel rewards. Thus, neither mark can be said to be inherently strong.

[41] It is clear from the Opponent’s evidence that the AIR MILES mark has become very well known in Canada through extensive use and promotion; the Applicant does not contest this. There are more than 12.5 million members enrolled in the Opponent’s AIR MILES reward program in Canada; since 1999, over 60% of Canadian households contained an individual who was a member of the AIR MILES program, and in each of the years 1998-2003 more than 15 million dollars were spent advertising the AIR MILES program.

[42] The Applicant’s evidence shows that its Mark has become known in Canada, but nowhere near the extent to which the Opponent’s AIR MILES mark has become known. As of December 2006 there were 123,468 MILES & MORE members in Canada, but that number includes inactive members (see Questions 204-218, Petsche cross-examination). Various promotional materials have been sent to these Canadian MILES & MORE members over the years, for example in 1995 three newsletters displaying the Mark were mailed to members. However, the MILES & MORE services are not promoted in any other way in Canada, nor are they promoted to Canadians who are not members (see Questions 315 to 320, Petsche cross-examination).

[43] The Opponent contests that the Applicant’s use and promotion has not significantly increased the distinctiveness of the Mark because the Mark typically appears after the word

LUFTHANSA; in fact, it is the Opponent's view that the Applicant has been using LUFTHANSA MILES & MORE, rather than MILES & MORE *simpliciter*.

[44] In order to assess whether the Applicant's use amounts to use of the Mark, reference can be had to the decision in *Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R. (3d) 535 (T.M.O.B.) (*Nightingale*), wherein Mr. Troicuk stated at pages 538-9:

The jurisprudence relating to the question of what deviations in a trade mark are permissible is complicated and often contradictory but in my opinion it is best viewed as establishing two basic principles:

Principle 1

Use of a mark in combination with additional material constitutes use of the mark *per se* as a trade mark if the public, as a matter of first impression, would perceive the mark *per se* as being used as a trade mark. This is a question of fact dependent upon such factors as whether the mark stands out from the additional material, for example by the use of different lettering or sizing . . . or whether the additional material would be perceived as purely descriptive matter or as a separate trade-mark or trade name . . .

Principle 2

A particular trade mark will be considered as being used if the trade mark actually used is not substantially different and the deviations are not such as to deceive or injure the public in any way . . . In general . . . this principle would appear applicable only where the variations are very minor.

[45] The second principle is not relevant to the case at hand.

[46] When I look at Ms. Petsche's evidence, I see MILES & MORE appearing in various combinations:

1. LUFTHANSA MILES & MORE – this appears in places such as in the body of the Welcome Letter provided in Exhibit “B” – all of the words are presented in a unified font and size with the result that this is use of LUFTHANSA MILES & MORE, not of the Mark;
2. LUFTHANSA MILES & MORE & Design - this appears in various places including:
 - i) the top right hand corner of the Welcome Letter and the first page of the member brochure provided in Exhibit “B” – all of

the words are presented in a unified font and size but the words MILES & MORE appear emboldened in the black and white copies attached to the Petsche affidavit with the result that this can be perceived as use of two marks LUFTHANSA and MILES & MORE; even though TM appears only once (to the right of the word “more”), I am prepared to accept that this is use of the Mark;

- ii) the membership card (which appears in the brochure in Exhibit “B” and as the answer to the undertaking given regarding Question 225 of Ms. Petsche’s cross-examination) displays the three words in the same font and size but again the words MILES & MORE appear emboldened in Exhibit “B” and this time TM does not appear; this can be perceived as use of two marks LUFTHANSA and MILES & MORE.

[47] In *Registrar of Trade Marks v. CII Honeywell Bull, S.A.* (1985), 4 C.P.R. (3d) 523 (F.C.A.), the Federal Court of Appeal was dealing with a situation falling within the purview of the first principle enunciated in *Nightingale*. In so doing, the Court of Appeal directed us to consider whether the mark was used in such a way that the mark did not lose its identity and remained recognizable. In the present case, I would answer that question in the affirmative where MILES & MORE appears in the manners discussed under 2 above.

[48] Although the Opponent has made submissions concerning what it considers to be use of MILES & MORE as part of a larger mark, it is important to note that there are numerous instances where MILES & MORE appears quite separate from the word LUFTHANSA, e.g. in the table of contents and text of the member brochure, in the newsletters (Exhibits “O”-“Q”) and the website (Exhibit “R”). However, it is true that the Applicant’s LUFTHANSA mark appears elsewhere on those materials.

[49] Overall, a consideration of the extent to which each party’s mark has become known clearly favours the Opponent since it would appear that its mark is known to far more Canadians than is the Applicant’s Mark.

length of time each trade-mark has been in use

[50] Mr. Kline attests that the AIR MILES reward program was launched on March 30, 1992. Ms. Petsche attests that the Applicant’s MILES & MORE frequent flyers rewards program was

launched in Canada in July 1993 (Exhibit “B” is said to be an example of letters and brochures sent to Canadians in June 1993). Therefore a consideration of the length of time each mark has been in use favours the Opponent, but not to a great degree.

nature of the wares, services, business or trade

[51] The services performed by the parties in association with the marks at issue are essentially the same or very similar, namely loyalty or incentive award programs whereby members are rewarded wares or services based on their purchase of certain wares or services. (As discussed further below, the Applicant’s performance of “transport of persons by air; travel agency services” is intimately associated with the Applicant’s incentive award program in that a member of the Applicant’s program may earn a reward by using the Applicant’s air transport or travel agency services or may exchange earned rewards for the Applicant’s air transport or travel agent services.)

[52] The parties agree that the term “miles” is commonly used to refer to the type of currency that members of loyalty or reward programs accumulate through their purchases; the term “miles” could be used interchangeably with the term “points”. Individuals who apply to become a member of either party’s program are issued membership cards which they present to obtain “miles” when they purchase qualifying wares or services. These “miles” can then be redeemed for a variety of wares or services, including travel related services.

[53] The Applicant is a major international airline who uses MILES & MORE in association with its frequent flyer program. Customers who enrol in the program are credited with “miles” in accordance with their amount of travel; in addition to earning “miles” by purchasing air travel, “miles” can also be earned by staying at certain hotels, shopping in certain stores, renting cars from certain companies and opening certain bank accounts. For example, MILES & MORE “miles” can be earned by flying Lufthansa, Air Canada or United airlines, by staying at Hilton, Holiday Inn or Westin hotels, or by renting a car from Avis or Hertz (see answer to undertaking re Question 236, Petsche cross-examination). “Miles” earned can be exchanged for a variety of rewards, benefits or privileges, including flights, flight upgrades, hotel accommodation and various products such as tires.

[54] The Opponent, who is not an airline, licenses its AIR MILES mark to The Loyalty Group for use in association with an incentive reward program. The AIR MILES reward program provides third party businesses (Program Sponsors) with a way to reward their loyal customers by issuing AIR MILES “miles”. Program Sponsors, who are licensed to use the Opponent’s mark, include a variety of businesses including businesses in the following sectors: airline (e.g. WestJet, Northwest Airlines, Inc. and KLM Royal Dutch Airlines), travel agency, hospitality and accommodation (e.g. Crown Plaza and Holiday Inn hotels), car rental, retail grocery, beverage/alcohol, petroleum, pharmaceutical/healthcare, insurance and financial services. “Miles” earned by consumers who purchase the wares/services of the Opponent’s Program Sponsors under the Opponent’s program can be redeemed for a broad range of wares and services. For example, the Opponent’s “miles” can be redeemed for airline tickets, hotel accommodation, vacation packages, electronics, home products, jewelry, kitchen merchandise and toys.

[55] The evidence shows that both parties’ programs enable their members to earn “miles” by purchasing airline services, hotel services or car rental services and both offer airline services, hotel services and car rental services as redemption options.

[56] The Applicant has filed written argument concerning what it considers to be significant differences between the parties’ business models. However, when considering the wares, services and trades of the parties, it is the statement of wares or services in the parties’ trademark application or registration that govern in respect of the issue of confusion arising under s. 12(1)(d) [*Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe, Inc. v. Dale Bohna* (1984), 58 C.P.R. (3d) 381 (F.C.A.)]. Absent a restriction to a particular business model in either party’s statement of services, I cannot, when considering the issue of confusion, take into consideration the fact that the Applicant may be using a business model that is different from the Opponent’s [see *Henkel Kommanditgesellschaft Auf Aktien v. Super Dragon Import Export Inc.* (1984), 2 C.P.R. (3d) 361 (F.C.T.D.), affirmed 12 C.P. R. (3d) 110 (F.C.A.); *Culinar Inc. v. Mountain Chocolates Ltd.* (1998), 86 C.P.R. (3d) 251 (T.M.O.B.)].

[57] Overall, s. 6(5)(c) and (d) favour the Opponent.

degree of resemblance between the trade-marks

[58] It is a well accepted principle that the first portion of a trade-mark is the most relevant for the purposes of distinction. However, when a word 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 C.P.R. (2d) 183 (F.C.T.D.); *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.); *Phantom Industries Inc. v. Sara Lee Corp.* (2000), 8 C.P.R. (4th) 109 (T.M.O.B.)].

[59] The marks share the word MILES. The Opponent has stated that it is not seeking to monopolize the use of the word MILES in its field; such a position is a reasonable one for the Opponent to take given that, as previously stated, “miles” is a term that is used in the reward program industry to connote a type of currency. Therefore, instead of objecting to the mere use of MILES, the Opponent instead objects that the Applicant has not sufficiently distinguished its MILES mark from the Opponent’s AIR MILES mark. To clarify its position, the Opponent has stated that it does not object to the Applicant using LUFTHANSA MILES & MORE because that mark includes the distinctive word LUFTHANSA.

[60] I find that the resemblance between AIR MILES and MILES & MORE in appearance and sound is only moderate. However, both marks suggest similar ideas when they are associated with a reward program, with the Applicant’s Mark suggesting a more extensive reward program.

[61] The Applicant submits that a distinguishing feature of its Mark is “the attractive alliterative sound of the repetition of the two initial letters ‘M’ and ‘M’”. I am not convinced that this is a significant factor. (On page 19 of the Applicant’s written argument, the Applicant states that none of the Opponent’s marks has this alliterative feature, but it seems to have overlooked the Opponent’s MEGA MILES mark.)

additional surrounding circumstances

i) state of the register/marketplace

[62] State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace, and inferences about the state of the marketplace can only be

drawn where large numbers of relevant registrations are located. [*Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432; *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.); *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)]

[63] Ms. Noonan provides the particulars of only eight third party registrations for trademarks that include the word “miles” for programs similar to those of the parties. Two of these registrations are owned by the same party. In response to the Noonan affidavit, Ms. Rooney provided evidence that three of the registrations were scheduled to be expunged and that a fourth had been expunged. The number of third party registered marks is accordingly too small to support the drawing of an inference concerning the state of the marketplace.

[64] Ms. Griffith located the use of (or reference to) the following “miles” marks in the Canadian marketplace as of December 2006: 1) British Airways Executive Club Miles (Exhibit “C”); 2) BA Miles – which are associated with British Airways (Exhibits “D” and “HH”); 3) Aeroplan Miles (Exhibits “J”, “K”, “L”, “M”, “U”, “V”, “W”, and “ZZ”) – in at least one instance in each of Exhibits “M”, “U”, “V”, “W” and “ZZ”, ® appears between Aeroplan and Miles; 4) Asia Miles (Exhibits “X” and “XX”); 5) Dividend Miles (Exhibit “II”). However, I do not find such evidence to be significant for the following reasons: i) the number of third party users is not large; ii) the extent to which these marks have become known to Canadians is unknown; and iii) the Opponent has already admitted that “miles” is commonly used in the trade. I also note that none of the registered marks located by Ms. Noonan appear to have been found in the marketplace by Ms. Griffith’s searches.

[65] I should mention that Ms. Noonan and Ms. Griffith also introduced evidence of the use and registration by others of the word “more”, including “and more”. Such evidence does not improve the Applicant’s case vis-à-vis the Opponent’s AIR MILES mark; instead, it weakens it to the extent that it demonstrates that the words “and more” lack distinctiveness.

ii) Opponent’s other MILES marks

[66] The Opponent has submitted that it has a family of “miles” marks. It has registered a large number of marks that incorporate the word “miles” and Mr. Kline has provided evidence of

the Opponent's use of the following "miles" marks: AIR MILES TRAVEL AND MORE & Design, MEGA MILES, YOUR MILES, and AIR MILES GOLD. However, I have difficulty with the Opponent's submission that it has a family given that the common feature of such alleged family is a word that the Opponent admits is a word that is common to its industry. It is contradictory that a word that is common to the trade can form the basis of a family. "The family of marks doctrine is the antithesis of the common to the trade analysis. In the former, all the marks with the common characteristic are owned by one entity; in the latter scenario, the marks exhibiting the common characteristic are owned by different entities." [Joliffe and Gill, *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4th ed. (Carswell) at chapter 8] Whether or not there was sufficient evidence to find that there has been common adoption of "miles" in trade-marks, I would still find that the Opponent cannot benefit from the family of marks doctrine in view of the generic meaning of "miles" in the parties' field.

[67] Although I have rejected the Opponent's family of marks argument, I accept that the Opponent has associated its AIR MILES mark with the words/mark TRAVEL AND MORE. For example, since 2001, the Opponent has been using the following design mark:



[68] The above design mark is displayed on the membership card that is given to AIR MILES collectors and frequently appears in advertisements for the Opponent's services.

[69] In addition, the Opponent has since 1999 distributed semi-annually a magazine entitled TRAVEL & MORE to promote its AIR MILES services (approximately 450,000 copies were distributed in 2003).

iii) lack of evidence of confusion

[70] An adverse inference concerning the likelihood of confusion may be drawn when concurrent use on the evidence is extensive and no evidence of confusion has been given by the opponent [*Christian Dior S.A. v. Dion Neckwear Ltd.* 2002, 20 C.P.R. (4th) 155 (F.C.A.) at para. 19].

[71] Here there has been more than 15 years of co-existence without any evidence of confusion. However, it is possible that the manner in which the Applicant has used the Mark to date, i.e. in close association with LUFTHANSA and in association with a business model that allegedly differs significantly from that of the Opponent, explains the lack of evidence of confusion.

conclusion re likelihood of confusion as of today's date

[72] The Applicant has submitted that “the trade-mark LUFTHANSA for airline services, and the trade-mark MILES & MORE for loyalty incentive program services, are all closely and inexplicably associated in the minds of the members of the MILES & MORE program” and that it “is simply not possible to see the Applicant’s MILES & MORE promotional material and not know that the MILES & MORE program is offered by Lufthansa, operator of the well-known major international airline LUFTHANSA.” (pages 10-11, Applicant’s written argument) However, those submissions would serve the Applicant better in defending a passing off action; they are not apropos for defending a s. 12(1)(d) ground of opposition for several reasons. First, the submissions are premised on the fact that in the marketplace the Applicant closely associates its LUFTHANSA trade-mark with its MILES & MORE mark, but here the issue is whether MILES & MORE standing on its own would be likely to cause confusion with the Opponent’s mark. Second, as mentioned earlier, the fact that the Applicant may use its Mark essentially to compliment its prime business of providing airline services is not particularly relevant given that it has not restricted its statement of services to indicate this. Third, the test for confusion is whether a consumer who has a general and not precise recollection of the Opponent’s mark, will, upon seeing the Applicant’s Mark, be likely to think as a matter of first impression that the two products share a common source, for example that the MILES & MORE program is simply another aspect of the Opponent’s AIR MILES program.

[73] 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 & Upholstery Ltd.* (1980), 47 C.P.R. (2d) 145 (F.C.T.D.) at 149, affirmed 60 C.P.R. (2d) 70]. In the present case, at first blush the differences between AIR MILES and MILE & 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 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.

[74] At best, I find that the balance of probabilities is evenly balanced between a finding of confusion between the marks in issue and a finding of no confusion. As the onus is on the Applicant to establish on a balance of probabilities that the Mark is not confusing with the Opponent’s mark, I must decide against the Applicant. The s. 12(1)(d) ground therefore succeeds based on registration No. TMA443,821 for AIR MILES.

different considerations regarding the distinctiveness ground of opposition

[75] As stated previously, the date for considering the likelihood of confusion under the distinctiveness ground is earlier, namely October 19, 2004. The Opponent has met its initial burden regarding the likelihood of confusion as of that date since the evidence shows that the Opponent’s AIR MILES mark was sufficiently known as of that date to negate the distinctiveness of the Applicant’s Mark [see *Bojangles' International LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R.(4th) 427 (F.C.)]. The Applicant is accordingly required to show that its Mark is adapted to distinguish or actually distinguishes its services from the services of the Opponent [*Muffin Houses Incorporated v. The Muffin House Bakery Ltd.* (1985), 4 C.P.R. (3d) 272 (T.M.O.B.)].

[76] The Applicant’s position is no stronger as of October 19, 2004 than it is as of today’s date. Accordingly, I reach the same conclusion regarding the likelihood of confusion under the first s. 2 ground of opposition as I did under the s. 12(1)(d) ground of opposition. The application is therefore also refused under such ground.

remaining grounds of opposition

[77] As I have already refused the application under two grounds of opposition, I will not consider the outstanding grounds of opposition.

Disposition

[78] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application pursuant to s. 38(8) of the Act.

Jill W. Bradbury
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office