



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

Citation: 2012 TMOB 47
Date of Decision: 2012-03-08

**IN THE MATTER OF AN OPPOSITION
by Suzuki Motor Corporation to
application No. 1,288,553 for the trade-
mark HAYABUSA in the name of
Hayabusa Fightwear Inc.**

[1] On February 3, 2006, Hayabusa Fightwear Inc., then known as Envisionnutrition Inc. (the Applicant), filed an application to register the trade-mark HAYABUSA (the Mark) based on proposed use in Canada. The statement of wares of the application of record, as amended on October 29, 2010 and accepted by the Registrar on November 10, 2010, reads as follows:

Clothing, namely: t-shirts, polo shirts, sports jerseys, shorts, compression shorts, compression shirts, vests, sweatshirts, kimonos, martial arts uniforms, track suits, warm-up suits, singlets, wrap belts for kimonos, sandals and grappling shoes.

[2] As provided by the Applicant, the Mark translates into English as PEREGRINE FALCON.

[3] The application was advertised for opposition purposes in the *Trade-marks Journal* of June 13, 2007.

[4] Suzuki Motor Corporation (the Opponent) filed a statement of opposition on November 13, 2007. Leave to file an amended statement of opposition dated April 18, 2008 was granted to the Opponent on July 14, 2008. The grounds of opposition allege, in summary, that:

- the application does not conform to the requirements of s. 30(a) and 30(i) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act);
- the Mark is not registrable pursuant to s. 12(1)(d) of the Act since it is confusing with the Opponent's trade-mark HAYABUSA (the Cited Mark) of registration No. TMA526,151;
- the Applicant is not the person entitled to registration of the Mark;
- the Mark is not distinctive pursuant to s. 2 of the Act.

[5] The Applicant filed a counter statement denying all of the allegations contained in the statement of opposition.

[6] The Opponent's evidence of record consists of an affidavit of Andrew Chung, sworn August 11, 2008, including Exhibits "A" to "K". Mr. Chung has been cross-examined and he cross-examination transcript, exhibits thereto and replies to undertakings are part of the record. The Applicant elected to file no evidence in support of its application.

[7] Only the Opponent filed a written argument. Both parties were represented at an oral hearing.

Onus

[8] 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 Ltd v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.); *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)].

Opponent's Evidence

[9] Though lengthy, the following review of the evidence introduced by Mr. Chung is relevant to the consideration of the parties' submissions. I will not be discussing Mr. Chung's

statements that go to the questions of facts and law to be determined by the Registrar in the present proceeding.

[10] Mr. Chung identifies himself as the National Manager, Parts & Accessories for Suzuki Canada Inc. (Suzuki Canada) since September 2003 [par. 1].

[11] According to Mr. Chung's statements, "motorcycles and fittings thereof" have been sold in Canada in association with the Cited Mark since March 2000, and "hats and caps" since January 2005 [par. 7]. The Opponent "intends to sell in Canada a line of HAYABUSA clothing, which includes jerseys, sweaters, sweatshirts and t-shirts" [par. 8].

[12] Mr. Chung files a print-out of registration No. TMA526,151 for "vehicles, namely, motorcycles and fittings thereof" [Exhibit "A"]. According to Mr. Chung's statements, the Opponent has filed application No. 884,411(01) to extend the statement of wares of its registration to include "headwear, namely caps and hats" based on use since at least as early as January 2005, and "clothing, namely jerseys, sweaters, sweatshirts, t-shirts" based on proposed use [pars. 9-10].

[13] Mr. Chung states that the Opponent "is a renown manufacturer of automotive, motorcycle, ATV and marine products" [par. 4]. According to Mr. Chung's statements, the Opponent distributes its products in Canada through Suzuki Canada, its Canadian subsidiary. Suzuki Canada is licensed to use the Cited Mark. Pursuant to a license agreement, the Opponent "maintains care and control over the nature and quality of HAYABUSA Products" [par. 14]. The Opponent provided a redacted copy of the license agreement [reply to undertaking, Appendix E]. On cross-examination, Mr. Chung confirms that the HAYABUSA motorcycles are manufactured by the Opponent and sold to Suzuki Canada for resale in Canada [Q126]. He also explains that Suzuki Canada consigns out to its vendor to make the HAYABUSA caps locally [Q127]. By way of reply to an undertaking, the Opponent clarifies Mr. Chung's oral testimony by specifying that Suzuki Canada's local vendor has outsourced in the past to countries like China.

[14] According to Mr. Chung's testimony, the motorcycles, fittings, hats and caps associated with the Cited Mark are sold in Canada "through authorized Suzuki dealers" [pars. 26-27]. Insofar as motorcycles are concerned, there are approximately 250 authorized Suzuki dealers

[Q3]. Because a motorcycle is seasonal, 90 to 95% of the authorized dealers of motorcycle sell other brands besides Suzuki-branded products [Q9-Q10].

[15] Mr. Chung states that sales of HAYABUSA motorcycles in Canada have been well in excess of 2 million dollars annually from March 2000 to March 2007 [par. 15]. A total of 2,569 HAYABUSA motorcycles have been sold in Canada between 2000 to March 2009 [reply to undertaking]. Mr. Chung files a copy of a photograph of a HAYABUSA motorcycle [par. 16, Exhibit “B”] and a copy of the 2008 Suzuki brochure featuring the HAYABUSA motorcycles [par. 24, Exhibit “G”]. In oral testimony, Mr. Chung confirms that the HAYABUSA motorcycles “always display either Suzuki or the Suzuki S logo somewhere on the motorcycle” [Q122].

[16] Mr. Chung states that sales of fittings for the HAYABUSA motorcycles in Canada have been well in excess of \$6,000 from March 2000 to March 2008 [par. 17]. He files “photographs of some of the HAYABUSA fittings sold in Canada” [par. 19, Exhibit “C”]. The fittings shown by the photographs represent probably 75% of the total sales of fittings [Q24-Q25].

[17] In his affidavit, Mr. Chung states that sales of HAYABUSA hats and caps in Canada have been well in excess of \$8,000 from January 2005 to March 2008 [par. 19]. According to Mr. Chung’s oral testimony, the term “hats” in his affidavit is a different term for “caps” and so the term “hats” is a reference to caps and not to any other type of hats [Q78-Q79].

[18] Mr. Chung files a print-out of “a sales summary for quantities of HAYABUSA caps sold in Canada from January 2005 until December 2005” [par. 20, Exhibit “D”]. The summary relates to the sales of the model of HAYABUSA cap shown in the *2005 Suzuki Street & Dual Sport Model Line-Up & Accessories* catalogue filed as Exhibit “E” to his affidavit. He files a copy of a photograph of a HAYABUSA cap, which is “representative of the type of cap sold by Suzuki” in association with the Cited Mark “since its introduction into the Canadian marketplace in January 2005” [par. 23, Exhibit “F”].

[19] We learn through the cross-examination that the approximate cost of a cap is \$20 [Q92] and that the sales summary and sales figure relate to sales of caps from Suzuki Canada to its dealers [Q69, Q93]. Mr. Chung does not know whether caps listed in the 2005 sales summary were sold to consumers [Q68]. When asked whether the name Suzuki or the S logo always

appear on the cap itself together with the Cited Mark, Mr. Chung answered: “I’ll say yes.” [Q112]. According to replies to undertakings, three models of HAYABUSA caps have been sold in Canada since October 2001. The Opponent provides sales summaries and digital photographs for all three models of caps [Appendix B1-B3]; digital photographs of a sample of the cap from the active product line, including photographs of the cap wrapped in the clear plastic bag in which it is shipped [Appendix C1-C2]; and digital photographs of the outside and inside labels of the cap [Appendix D1-D2].

[20] The catalogue filed as Exhibit “E” to the Chung affidavit is representative of the type of brochure distributed by Suzuki Canada to its customers and potential customers [par. 22]. The catalogues or brochures distributed by Suzuki Canada would be mostly available at dealerships but might also be available at motorcycle-related events, such as trade-shows [Q140].

[21] Mr. Chung states that Suzuki Canada owns a website since 1998. It “provides information about Suzuki Canada and its products, including the HAYABUSA Products” [par. 25]. Mr. Chung provides printouts from the website “relating to the HAYABUSA motorcycles and caps” [Exhibit “H”]. According to his oral testimony, the HAYABUSA caps would have been displayed on the website since 2005 at the earliest [Q101].

[22] According to Mr. Chung’s written testimony, both television and print advertising expenditures in Canada for Suzuki’s products have exceeded 2 million dollars in Canada and “approximately 5% of Suzuki advertising budget may be associated with the HAYABUSA Products” [par. 28]. According to Mr. Chung’s oral testimony, HAYABUSA caps are not advertised on television and Suzuki Canada does not “run” print advertising just for caps [Q95-Q99]. In reply to undertakings, the Opponent indicates that Suzuki Canada “does not keep a file on past insertions relating to specific ads placed in various publications”. However, it provides ads having appeared in 1998 and 1999 issues of the magazine *Cycle Canada* [Appendix A1-A2] and a list of printed publications wherein “specific advertisements were run throughout the 2008 model year in Canada. The Opponent also provides television commercials for HAYABUSA motorcycles that “aired in Canada” in 1999 and 2008 [Appendix A3-A4].

[23] In concluding my review of the evidence, I note that Mr. Chung files printouts from the online *Wares and Services Manual* for “headwear”, “footwear” and “clothing”, as provided by his Canadian trade-mark agent [pars. 29-31, Exhibits “I” to “K”].

Preliminary Comments

[24] As the Opponent’s application No. 884,411(01) to extend the statement of wares of registration No. TMA526,151 does not form the basis of any of the pleaded grounds of opposition, I find the aforesaid application to be of no significance in the present proceeding. Further, I am not affording significance to Mr. Chung’s statement as to the Opponent’s intent “to sell a line of HAYABUSA clothing in Canada”.

[25] I am satisfied that the evidence of record is sufficient to establish that any use of the Cited Mark by Suzuki Canada as a licensee of the Opponent meets the requirements set out in s 50 of the Act. I would add the Applicant did not argue otherwise.

[26] At the oral hearing, the Applicant took the position that the Opponent’s caps are promotional goods. In support of its position, it submitted that the Opponent failed to provide evidence of retail sales of HAYABUSA caps. In reply, the Opponent submitted that there was no requirement to evidence sales of HAYABUSA caps to the ultimate consumers. I agree. The evidence of sales by Suzuki Canada to authorized dealers is sufficient to establish sales of HAYABUSA caps in Canada in the Opponent’s normal course of trade [see *Lin Trading Co. v. CBM Kabushiki Kaisha*, (1988), 21 C.P.R. (3d) 417 at 421 (F.C.A.)].

[27] The Applicant contends that the Cited Mark is a secondary mark. In support of its contention, the Applicant submits that: (i) the motorcycles bearing the Cited Mark always display the trade-mark SUZUKI; (ii) the magazine and television ads for HAYABUSA motorcycles emphasize the trade-mark SUZUKI; and (iii) either the mark SUZUKI or the S logo also appears on the caps. Suffice it to say that the Act does not distinguish between primary and secondary marks [see *Groupe Procycle Inc. v. Chrysler Group LLC* (2010) 87 C.P.R. (4th) 123 at par. 47 (F.C.), affirming 72 C.P.R. (4th) 332]. I would add that apart from the fact that Cited Mark is not necessarily shown in close proximity to the word Suzuki or the S Logo, the evidence shows the Cited Mark by itself on caps [Exhibit 3 to the cross-examination transcript].

[28] At the oral hearing, the Applicant argued that there were contradictions in the evidence as to the earliest use of the Cited Mark in association with caps. More particularly, the Applicant argued that replies to undertakings suggest that HAYABUSA caps were sold in Canada prior to January 2005 as stated by Mr. Chung. As I understand its oral submissions, the Applicant contends that the replies to undertakings discredit the testimony of Mr. Chung. As per my review of the Opponent's evidence, replies to undertakings lead me to conclude that caps associated with the Cited Mark have been sold in Canada since October 2001 [see par. 19 of my decision]. However, in the instant case, I do not consider that the inconsistency between the replies to undertakings and Mr. Chung's statements affects the credibility of Mr. Chung. For one thing, it could be that at the time of his affidavit, Mr. Chung's statements regarding the use of the Cited Mark in association with caps since January 2005 were made out of an abundance of caution. After all, the evidence pointing to the earlier use of the Cited Mark in association with caps was elicited through replies to undertakings. Further, Mr. Chung's testimony is neither vague nor evasive.

Analysis of the Grounds of Opposition

[29] I dismiss from the outset the two-prong ground of opposition based upon non-conformity to the requirements of s. 30(i) of the Act. The allegations that the Applicant could not have been satisfied that it was entitled to use the Mark in view of the Opponent's registration and the prior use of the Cited Mark do not raise a proper ground of opposition. Section 30(i) of the Act only requires that an applicant declares itself satisfied that it is entitled to use the applied-for mark. Such statement is included in the application for the Mark. Section 30(i) of the Act can sometimes be the basis of a ground of opposition in specific cases, such as where by faith on the part of the applicant is alleged and established or if specific statutory provisions prevent the registration of the applied-for mark [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) and *Canada Post Corporation v. Registrar of Trade-marks* (1991), 40 C.P.R. (3d) 221 (F.C.T.D.)]. This is not such a case.

[30] I shall now turn to the remaining grounds of opposition, although not necessarily in their order of pleadings.

Non-entitlement pursuant to Section 16(3)(a) of the Act.

[31] I am satisfied that the evidence shows that the Cited Mark was used in association with motorcycles and fittings thereof as well as caps prior to February 3, 2006 and had not been abandoned at the date of advertisement of the application for the Mark [s. 16(5) of the Act]. Therefore, the question becomes whether the Applicant has met the legal onus that lies on it to establish, on a balance of probabilities, that there was no reasonable likelihood of confusion between the Mark and the Cited Mark as of February 3, 2006.

[32] 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.

[33] In applying the test for confusion, the Registrar 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 the trade-marks have 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.) and *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 92 C.P.R. (4th) 361 (S.C.C.)].

Consideration of the Section 6(5) Factors

[34] In *Masterpiece, supra*, the Supreme Court of Canada stated that the degree of resemblance between the marks is often likely to have the greatest effect on the confusion analysis [see also *Beverly Bedding & Upholstery Co. v. Regal Bedding & Upholstery Ltd.* (1980), 47 C.P.R. (2d) 145 at 149 (F.C.T.D.), affirmed 60 C.P.R. (2d) 70] and it chose to begin its confusion analysis by considering that factor. Since the marks at issue in the present case are identical, the Opponent is considerably favoured by the s. 6(5)(e) factor.

[35] Both marks possess an important degree of inherent distinctiveness. In view of my preliminary comments and the evidence of record, the Applicant's oral submissions did not convince me that it cannot be concluded that the Cited Mark had become known in Canada as of the material date. In the end, I am satisfied that the Cited Mark had become known to some extent in Canada, which is obviously not the case for the Mark.

[36] The evidence satisfactorily establishes continuous use of the Cited Mark in association with motorcycles and fittings thereof since March 2000. Also, the Chung affidavit satisfactorily establishes continuous use of the Cited Mark in association with caps since at least as early as January 2005, and replies to undertakings suggest that use may have been on-going since 2001.

[37] At the oral hearing, both parties relied upon prior case law to support their position on the issue of confusion when considering the nature of the wares and the nature of the trade associated with the marks at issue. While prior case law is instructive, it is trite to say that each case must be decided on its own facts. As discussed hereafter, cases that have been specifically cited in oral submissions are distinguishable from the present case.

[38] In my opinion, the evidence of record is not sufficient to conclude that "manufacturers of automobiles license the use of their trade-marks in association with wares such as clothing" as it was found in *Rover Group Ltd. v. Victor* (1988), 87 C.P.R. (3d) 135 (T.M.O.B.) cited by the Opponent.

[39] I disagree with the Applicant that the facts of this case are essentially the same as the facts in *Piaggio Veicoli Europei S.p.A. v. Ghilaine Anex Benain* (1997), 84 C.P.R. (3d) 102 (T.M.O.B.) where it was found that there was no likelihood of confusion between the applicant's trade-mark VESPA for clothing and the opponent's trade-mark VESPA for light motor cycles and scooters. The most obvious difference is that the opponent's mark in *Piaggio* was not associated with clothing items. Further, no evidence had been adduced by either party relating to the use of their respective trade-marks. As an aside, I remark that Partington, G.W., then Chairperson of this Board, stated at p. 105: "[...] had the opponent established that its trade-mark had acquired a significant measure of reputation in Canada, it might arguably have supported some of the submissions made in its written argument."

[40] The case *General Motors Corp. v. Gunn & Moore Ltd.* (1998), 84 C.P.R. (3d) 114 (T.M.O.B.) cited by the Applicant is also distinguishable if only because the applied-for mark was for sports and games paraphernalia, not for clothing items.

[41] Finally, as the evidence indicates that the caps associated with the Cited Mark are not marketed to the general public through retail clothing outlets, it may be not without merit for the Applicant to argue that its position is supported by the case *Standard Knitting Ltd. v. Toyoda Jidosha Kabushiki Kaisha*, 2003 CarswellNat 4953 (T.M.O.B.) where Member Herzig found that the applicant's trade-mark TUNDRA for trucks and structural parts thereof was not confusing with the opponent's trade-mark TUNDRA for various items of clothing. Still, the *Standard Knitting* case is distinguishable from the case at hand as the applicant was not seeking registration of the mark TUNDRA in association with clothing items. Further, in view of the comments of Member Herzig, at par. 16, it appears that his finding was partly based on evidence indicating "that automobile manufacturers confine the marketing of their clothing wares to internet sites and catalogue sales" and that "the sales of clothing by the applicant appear to be an adjunct to its main business and serves to further promote and gather goodwill for automotive sales". As I previously commented, considering the evidence of record, I disagree with the Applicant's contention that the caps associated with the Cited Mark are solely promotional goods. Further, the evidence does not indicate that the marketing of caps associated with the Cited Mark has been confined to internet sites and catalogues sales.

[42] Reverting to the nature of the wares in the case at hand, I agree with the Applicant that the motorcycles and fittings associated with the Cited Mark differ from its applied-for wares described as "clothing, namely: t-shirts, polo shirts, sports jerseys, shorts, compression shorts, compression shirts, vests, sweatshirts, kimonos, martial arts uniforms, track suits, warm-up suits, singlets, wrap belts for kimonos, sandals and grappling shoes". However, it is fair to say that the applied-for wares, which are described as clothing items, either relate to or overlap with the caps associated with the Cited Mark. To the extent that "sandals and grappling shoes" correspond to footwear, and apart from the fact that the Applicant has specifically included those wares in the category of clothing, I find that footwear is related to clothing items [see *Salamander Aktiengesellschaft v. Pacific Clothing Exchange Ltd* (1988), 19 C.P.R. (3d) 349 at 351 (T.M.O.B.)].

[43] Insofar as the nature of the trade is concerned, the Opponent stresses that the statement of wares of its registration does not contain any restriction as to the channels of trade. While such a fact would be relevant in considering the s. 6(5)(d) factor under the registrability ground of opposition, it is not relevant under the non-entitlement ground of opposition. The Opponent also submits that the cross-examination of Mr. Chung establishes that “sales of Suzuki products by Suzuki Canada in Canada have been evolving” and as such the sales of Suzuki products, including the wares associated with the Cited Mark, “may be through other channels aside from the Suzuki authorized dealership that are currently selling these products”. Even though I am prepared to accept the Opponent’s position that it is not prevented to sell its products through other channels of trade than Suzuki dealers, I agree with the Applicant that the cross-examination of Mr. Chung does not show an evolution in the Opponent’s sales practices. In the end, the evidence establishes that the wares associated with the Cited Mark had only been sold through Suzuki authorized dealerships as of the material date. There is no evidence directed to the channels of trade associated with the Mark.

Conclusion

[44] The legal onus is on the Applicant to show that as of February 3, 2006, the Mark was not reasonably likely to cause confusion with the Cited Mark previously used in Canada. This means that the Applicant must prove that the absence of confusion was more probable than its existence. In the present case, the Applicant has not filed any evidence to support its proposed use application for the Mark which is identical to the Cited Mark.

[45] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. Having considered all of the surrounding circumstances, I conclude that the probabilities of confusion between the Mark for clothing items and the Cited Mark for caps were evenly balanced between a finding of confusion and of no confusion as of February 3, 2006. In addition to the fact that the Mark is identical to the cited Mark, in reaching this conclusion, I have had special regard to the length of the time the Cited Mark had been in use and the extent to which it had become known in Canada. Even if I recognize that the Cited Mark may have been more known for motorcycles than for caps, it remains that the Cited Mark had been used in association with caps which overlap with or relate to the applied-for wares. When

all of these facts are factored in, in my opinion the fact that the Opponent's channels of trade had been restricted to authorized Suzuki dealers is not sufficient to shift the balance of probabilities in favour of the Applicant.

[46] Having regard to the foregoing, I conclude that the non-entitlement ground of opposition is successful.

Distinctiveness

[47] The Opponent has also pleaded that the Mark is not distinctive because it is not adapted to distinguish nor does it distinguish the Applicant's wares from the wares of the Opponent.

[48] The material date for assessing distinctiveness is the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)]. I am satisfied that the Opponent has met its initial evidential burden to establish that the Cited Mark had become sufficiently known as of November 13, 2007 to negate the distinctiveness of the Mark [see *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 (F.C.T.D.); *Bojangles' International LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.)].

[49] In view of the evidence or record, assessing each of the s. 6(5) factors as of the filing date of the statement of opposition rather than at filing date of the application does not significantly impact my previous analysis of the surrounding circumstances of this case. In fact, when considering the extent to which the Cited Mark had become known and the length of time it had been in use, the Applicant's case under the distinctiveness ground of opposition is weaker than under non-entitlement ground of opposition. Therefore, I find that the distinctiveness ground of opposition succeeds for reasons similar to those expressed in regards to the s. 16(3)(a) ground of opposition.

Remaining grounds of opposition

[50] As I have already found in favour of the Opponent under two grounds of opposition, I will not address the remaining grounds of opposition based upon s. 12(1)(d) of the Act and non-conformity to s. 30(a) of the Act.

Disposition

[51] Having regard to the foregoing, 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.

Céline Tremblay
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office