

IN THE MATTER OF AN OPPOSITION by Kocsis Transport Ltd. to Application No. 1,175,366 for the trade-mark KLTL TOTAL LOGISTICS & Design in the name of "K" Line America, Inc.

On April 22, 2003, "K" Line America, Inc. (the "Applicant") filed an application to register the trade-mark KLTL TOTAL LOGISTICS & Design (the "Mark"), as illustrated hereafter, on the basis of proposed use in Canada.



The Mark has been applied for registration in association with "transportation logistics services, namely arranging and coordinating pick-up, consolidation, ocean, air and land transportation, sorting, identifying, storage, distribution and delivery of goods in domestic and foreign commerce" (the "Services"). The right to the exclusive use of TOTAL LOGISTICS has been disclaimed apart from the Mark.

The application was advertised in the *Trade-marks Journal* of May 26, 2004 for opposition purposes.

Kocsis Transport Ltd. (the "Opponent") filed a statement of opposition on July 26, 2004. In the preamble of the statement of opposition, the Opponent alleges ownership of Registration No. TMA542,139 for the trade-mark KTL & Design as well as previous use in Canada of the said trade-mark and of the name KTL in association with transportation of general freight by truck. Generally speaking, the grounds of opposition are that the application does not comply with the requirements of s. 30(i) of the *Trade-marks Act* R.C.S. 1985, c. T-13 (the "Act"); the trade-mark is not registrable pursuant to s. 12(1)(d) of the Act because it is confusing with the registered trade-mark KTL & Design; the Applicant is not the person entitled to registration of the Mark; the Mark is not distinctive and is not adapted to distinguish the Services.

The Applicant filed and served a counter statement essentially denying the grounds of opposition.

The Opponent's evidence consists of an affidavit of Donna Pastucha, a legal assistant employed by the Opponent's trade-mark agents. A copy of Registration No. TMA542,139 printed from the Trade-marks Database maintained over the Internet by the Canadian Intellectual Property Office ("CIPO") is attached as Exhibit "A" to her affidavit. Ms. Pastucha also files copies of pages from the Opponent's website (Exhibit "B"), which were printed on July 22, 2005. It is apparent that Exhibit "B" relates to a contentious issue. As an employee of the Opponent's trade-mark agents, Ms. Pastucha is not an independent witness giving unbiased evidence [see *Cross Canada Auto Body Supply (Windsor) Limited et al. v. Hyundai Auto Canada* (2005) F.C. 1254]. In addition, copies of pages from the Opponent's website can only be relied upon as proof of the existence of the website, not as proof of the truth of their contents [see *Envirodrive Inc. v. 836442 Canada Inc.* 2005 ABQB 446; *ITV Technologies Inc. v. WIC Television Ltd.* 2003 F.C. 1056]. I am therefore not affording any weight to Exhibit "B". Thus I find it unnecessary to consider the Applicant's argument that the trade-mark displayed on the website does not correspond to the trade-mark alleged by the Opponent.

The Applicant's evidence consists of an affidavit of Morine Choo, an employee of the Applicant's trade-mark agents. Ms. Choo introduces into evidence copies of fourteen (14) registrations printed from CIPO's Trade-Marks Database on June 15, 2006.

Only the Applicant filed a written argument and neither party requested an oral hearing.

Analysis of the grounds of opposition

There is an initial evidential burden on the Opponent to establish the facts relied upon in support of the grounds of opposition. Once this initial onus is satisfied, the Applicant has the burden to prove that the particular grounds of opposition should not prevent

registration of the Mark [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.) and *Wrangler Apparel Corp. v. The Timberland Company* (2005), 41 C.P.R. (4th) 223 (F.C.)].

Section 30(i)

The material date for considering the circumstances with respect to the ground of opposition based upon non-compliance with s. 30(i) of the Act is the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.)].

The Opponent has essentially alleged that the Applicant was aware of the Opponent's prior rights and could not have been satisfied of its entitlement to use the Mark in Canada. The Opponent has not met its initial burden to show that the Applicant was aware of the Opponent's trade-mark at the material time. I would add that even if the Applicant had been aware of the Opponent's trade-mark as of the relevant date, such a fact is not inconsistent with the statement that the Applicant was satisfied that it was entitled to use the Mark. In my opinion, where an applicant has provided the statement required by s. 30(i) of the Act, a ground of opposition based upon non-compliance with s. 30(i) of the Act should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155].

I dismiss the ground of opposition based upon non-compliance with s. 30(i) of the Act.

Registrability

The material date with respect to the ground of opposition based upon s. 12(1)(d) of the Act is today's date [*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.)].

With Exhibit “A” to the affidavit of Ms. Pastucha, the Opponent has discharged its initial burden of evidencing the facts relied upon in support of the ground of opposition. Accordingly, the burden of proof lies on the Applicant to convince the Registrar, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent’s registered trade-mark, as illustrated hereafter.



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. 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 or trade-names and the extent to which they have become known; b) the length of time the trade-marks or trade-names 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 or trade-names in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight [see *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.) and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée et al.* (2006), 49 C.P.R. (4th) 401 (S.C.C.) for a thorough discussion of the general principles that govern the test for confusion].

I shall now assess each of the surrounding circumstances.

s. 6(5)(a) - inherent distinctiveness of the trade-marks and the extent to which they have become known

The Opponent’s trade-mark does not relate to the nature of the services associated therewith. Nevertheless trade-marks comprised only of initials are traditionally

considered to be weak and lack inherent distinctiveness [see *GSW Ltd. v. Great West Steel Industries Ltd.* (1975), 22 C.P.R. (2d) 154 (F.C.T.D.)]. The stylized feature of the letters KTL does not increase the inherent distinctiveness of the Opponent's trade-mark. The Mark is not inherently strong since it consists of initials, descriptive words and of a globe design.

The strength of a trade-mark may be increased by means of it becoming known through promotion or use in Canada. There is however no evidence that either party has used or promoted its trade-mark in Canada. The most that can be inferred from the mere existence of Registration No. TMA542,139 is *de minimis* use that is not sufficient to conclude that the trade-mark has become known in Canada [see *Entre Computer Centers, Inc. v. Global Upholstery Co.* (1992), 40 C.P.R. (3d) 427 (T.M.O.B.)].

s. 6(5)(b) - the length of time the trade-marks have been in use

The Mark has been applied for registration on the basis of proposed use in Canada and there is no evidence of use of the Mark. As there is no evidence for concluding to continuous use of the Opponent's trade-mark since the claimed date of first use in Registration No. TMA542,139, I find this factor is of no significance.

s. 6(5)(c) and (d) - the nature of the wares, services or business; the nature of the trade

In considering the nature of the services and the nature of the trade, it is the statement of services in the application and the statement of services in the registration that govern the assessment of the likelihood of confusion under s. 12(1)(d) of the Act [see *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe, Inc. v. Bohna* (1994), 58 C.P.R. (3d) 381 (F.C.A.)]. The Opponent's trade-mark is registered in association with "transportation of general freight by truck". While I agree with the Applicant's submissions that the services associated with the Opponent's trade-mark are by their nature restricted to road transportation of freight, I am not willing to conclude that there could not be any overlap between them and the Services. In addition, the Applicant has failed to provide any evidence supporting its contention that there is a significant difference between businesses that simply transport general freight by truck,

which would typically be smaller, localized companies, and businesses that provide complete transportation logistics services, which would typically be international freight forwarders as they are offering more sophisticated services.

s. 6(5)(e) - the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

I do not agree with the Applicant's submission that the globe design is the dominant element of the Mark as I find that the letters KLTL are as dominant, if not more, than the globe design. Nonetheless, I do agree with the Applicant's submissions that there are significant visual differences between the trade-marks when considered in their totality. In addition to the fact that the Mark includes the globe design and the word TOTAL LOGISTICS, the visual merging of the letters K&L and T&L is not replicated in the Opponent's trade-mark. The presence of the world TOTAL LOGISTICS also results in differences between the trade-marks when sounded. I also agree with the Applicant's submissions that the combination of the words TOTAL LOGISTICS and of the globe design conveys the idea of worldwide throughout logistics services whereas the registered trade-mark correspond to an abbreviation of the Opponent's full corporate name Kocsis Transport Ltd.

Additional circumstance

The Applicant submits that its state of the register evidence shows that it is extremely common in the transportation industry for various traders to use initials, typically representing an abbreviation of the owner's full corporate name. However, I do not find it necessary to consider that additional circumstance in order to find in favour of the Applicant.

In applying the test for confusion I have considered it as a matter of first impression and imperfect recollection. Considering the weakness of the Opponent's trade-mark and the overall differences between the trade-marks in appearance, sound and in the ideas they suggest, I find that the balance of probabilities weighs in favour of a conclusion that the

trade-marks at issue are not confusing. In so finding, I am mindful of the following comments of Mr. Justice Cattanach in *GSW Ltd.*, *supra*

“In short, where a trader has appropriated letters of the alphabet as a design mark without accompanying distinctive indicia, and seeks to prevent other traders from doing the same thing, the range of protection to be given that trader should be more limited than in the case of a unique trade mark and comparatively small differences are sufficient to avert confusion and a greater degree of discrimination may fairly be expected from the public in such instances. (See Lord Simond's remarks concerning trade names in *Office Cleaning Services v. Westminster Window and General Cleaners Ltd.* (1944), 61 R.P.C. 133 at p. 135.)”

I dismiss the ground of opposition based upon s. 12(1)(d) of the Act.

Non-entitlement

The Opponent has pleaded that the Applicant is not the person entitled to registration of Mark having regard to the provisions of s. 16(1)(a) of the Act, in that as of the date of filing of the application, the Mark was confusing with the registered trade-mark of the Opponent, which had been previously used and made known in Canada by the Opponent. The Applicant has correctly argued that the ground of opposition based upon s. 16(1)(a) of the Act has been improperly pleaded as it relates to an application based upon use in Canada whereas the application is based upon proposed use. The third ground of opposition is dismissed because, as drafted, it is not a valid ground of opposition.

For all intents and purposes, I would add that even if I had come to the conclusion that the Opponent's reference to s. 16(1)(a) of the Act was a clerical error, I would have dismissed a non-entitlement ground of opposition pursuant to s. 16(3)(a) of the Act in view of the Opponent's failure to discharge its initial onus of evidencing use of its alleged trade-mark at the filing date of the application.

Distinctiveness

The material date to consider the ground of opposition based upon non-distinctiveness is the filing date of the statement of opposition [see *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)].

There was an initial burden on the Opponent to show that its trade-mark had become known sufficiently as of July 26, 2004 to negate the distinctiveness of the Mark [see *Motel 6, Inc. v. No. 6 Motel Ltd.*, 56 C.P.R. (2d) 44 (F.C.T.D.); *Bojangles' International, LLC and Bojangles Restaurants, Inc. v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.T.D.)]. As the Opponent did not do so, I reject the ground of opposition based upon non-distinctiveness.

Conclusion

Having regard to the foregoing, and with the authority delegated to me under s. 63(3) of the Act, I reject the opposition pursuant to s. 38(8) of the Act.

DATED AT BOUCHERVILLE, QUEBEC, THIS 4th DAY OF FEBRUARY 2008.

Céline Tremblay
Member
Trade-marks Opposition Board