

**IN THE MATTER OF AN OPPOSITION
by Canadian Tire Corporation, Limited
to application no. 739,669 for the
trade-mark THE RIGHT CARD filed by
The Pep Boys Manny, Moe & Jack (a corporation
of the State of Pennsylvania, U.S.A.)**

On October 20, 1993, the applicant, The Pep Boys Manny, Moe & Jack, filed an application to register the trade-mark THE RIGHT CARD, based on proposed use in Canada in association with

retail automotive store services; vehicle maintenance and repair services.

In order to overcome an objection raised by the Office at the examination stage, the applicant disclaimed the right to the exclusive use of the word RIGHT apart from the mark as a whole. The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated December 6, 1995 and was opposed by Canadian Tire Corporation, Limited on May 2, 1996. A copy of the statement of opposition was forwarded to the applicant on May 21, 1996. The applicant responded by filing and serving a counter statement.

The first ground of opposition alleges that the application does not comply with Section 30(a) of the *Trade-marks Act* in that the application does not provide a statement in ordinary commercial terms of the services the applicant offers “in that the applicant has mis-described its services.” The second ground of opposition, pursuant to Section 30(i) of the *Act*, alleges that the applicant could not have been satisfied that it was entitled to use the applied for mark THE RIGHT CARD.

The third ground of opposition, pursuant to Section 12(1)(d) of the *Act*, alleges that the applied for mark THE RIGHT CARD is not registrable because it is confusing with the opponent’s registered marks THE RIGHT CHOICE HAS NEVER BEEN SO CLEAR. CANADIAN TIRE, registration no. 312, 472, and the mark CANADIAN TIRE. THE RIGHT CHOICE HAS NEVER BEEN SO CLEAR, registration no. 312, 522. The aforementioned registrations cover services which include

selling vehicular parts, tools and accessories, selling garden

equipment, selling hardware, selling housewares, selling sporting goods, and servicing and maintenance of vehicles.

The fourth ground of opposition, pursuant to Section 16(3) of the *Trade-marks Act*, alleges that the applicant is not entitled to register the applied for mark THE RIGHT CARD because it is confusing with the opponent's above-mentioned marks previously used by the opponent in Canada, and also confusing with the opponent's mark THE RIGHT CHOICE previously used by the opponent in Canada in association with the aforementioned services. The fifth ground of opposition alleges that the applied for mark is not distinctive of the applicant's services in that the mark THE RIGHT CARD is not adapted to distinguish the services of the applicant from the services of the opponent and others. Both parties filed a written argument, however, only the opponent was represented at an oral hearing.

The opponent's evidence consists of the affidavits of Katherine M. Dimock, trade-mark agent, Daniel McVeigh, Brand Manager at Canadian Tire Corporation, and Timothy G. Paterson, trade-mark searcher. The applicant's evidence consists of the affidavit of Frederick A. Stampone, Senior Vice-President of the applicant company.

Mr. McVeigh's evidence may be summarized as follows. The opponent sells household and automotive wares, and provides automotive repair services, from 424 stores located throughout Canada. The opponent uses its above-mentioned marks (i) for in-store promotional displays and on door signs, (ii) in catalogues that are widely distributed to customers in every province in Canada, and (iii) in newspaper inserts and flyers distributed several times each year. The magnitude of catalogue distribution is indicated in Table 1 below.

Table 1

Year	Annual catalogue, in millions	Fall and Winter catalogue, in millions	total, in millions
1986	7.5	7.1	14.6
1987	7.6	7.6	15.2
1988	7.7	7.3	15
1989	8.4	7.7	16.1

1990	8.6	7.7	16.3
1991	8.5	8.1	16.6
1992	8.6	8.3	16.9
1993	8.4	8.8	17.2
1994	8.4		8.4
1995	8.1		8.1
1996	8.7		8.7

The opponent expends many millions of dollars annually to advertise its services, and the number of flyers distributed on a given occasion is similar to the number of catalogues distributed for that year. At least one of the opponent's trade-marks appears in every print advertisement including catalogues and newspaper inserts. From the exhibit material attached to Mr. McVeigh's affidavit, it would appear that the opponent's mark THE RIGHT CHOICE is used more frequently than the opponent's marks THE RIGHT CHOICE HAS NEVER BEEN SO CLEAR, CANADIAN TIRE and CANADIAN TIRE. THE RIGHT CHOICE HAS NEVER BEEN SO CLEAR. Ms. Dimock's affidavit serves to introduce into evidence photographs of signage in one of the opponent's stores located in Toronto displaying the opponent's mark THE RIGHT CHOICE.

Mr. Paterson's affidavit serves to introduce into evidence certified copies of pages from the United States Patent and Trade-mark Office concerning the applicant's United States trade-mark registration for the mark THE RIGHT CARD. The selected pages illustrate the manner of use of the applicant's mark, a sample of which is shown below.

Mr. Stampone's evidence, filed on behalf of the applicant, may be summarized as follows. The applicant is one of the leading automotive parts retailers and automotive repair service operations in the United States. The applicant's mark THE RIGHT CARD is used in association with its services and appears on credit cards and monthly catalogues which are distributed as newspaper inserts. The applicant intends to pursue marketing plans in Canada.

With respect to the first ground of opposition, the legal burden or onus is on the applicant to show that its application complies with Section 30 of the *Trade-marks Act*. This includes both the question as to whether or not the applicant has filed an application which formally complies with the requirements of Section 30 and the question as to whether or not the statements contained in the application are correct. To the extent that the opponent relies on allegations of fact in support of its Section 30 ground, there is an initial burden on the opponents to prove those allegations: see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330. In *McDonald's Corporation and McDonald's Restaurants of Canada Ltd. v. M. A. Comacho-Saldana International Trading Ltd. carrying on business as Macs International*, 1 C.P.R. (3d) 101, at p. 104, this Board concluded that it was only necessary for the opponents to present sufficient argument in order to meet the initial burden on it in respect of a Section 30(a) ground of opposition. Furthermore, the opponent can rely on the applicant's evidence to meet the burden upon it in respect of this ground.

In the statement of opposition, the opponent alleges that the applicant has mis-described its services. In this regard, the opponent relies on the evidence of record to argue that the applicant intends to use its mark on credit cards, and on a monthly magazine, rather than in association with the automotive services specified in the subject application. However, use of the mark THE RIGHT CARD on magazines advertising the applicant's services, and on credit cards presented when paying for automotive services, appears to satisfy the criteria of use of a mark in association with services as set out in Section 4(2) of the *Act*, shown below:

A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising

of those services.

The opponent submitted at the oral hearing that it is clearly the applicant's intention to use the mark THE RIGHT CARD in association with credit card services. I do not disagree. However, as a matter of law, I do not see that using the mark THE RIGHT CARD in association with credit card services is incompatible with also using the mark in association with automotive services. In view of the above, the first ground of opposition is rejected.

The second ground of opposition does not allege any facts to support the allegation therein and is therefore contrary to Section 38(3)(a) of the *Act* which requires pleadings to be in sufficient detail to enable the applicant to reply in a meaningful manner. Accordingly, the second ground of opposition is rejected.

The third ground of opposition, pursuant to Section 12(1)(d), alleges that the applied for mark THE RIGHT CARD is confusing with the opponent's marks registration nos. 312, 472 and 312, 522. The material date to consider the issue of confusion arising pursuant to Section 12(1)(d) is the date of my decision: see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.); *Conde Nast Publications Inc. v. The Canadian Federation of Independent Grocers* (1991), 37 C.P.R. (3d) 538 (TMOB). The applicant in its written argument (dated February 17, 1999) submits that the opponent's registered marks are the subjects of summary expungement proceedings pursuant to Section 45 of the *Act*, and that any decision in this opposition proceeding must consider the current status of those registrations. I agree, and I have therefore exercised my discretion to check the trade-marks register: see *Quaker Oats Co. of Canada v. Menu Foods Ltd.* (1986), 11 C.P.R.(3d) 410 at 411 (TMOB). In doing so, I have noted that the opponent's above-mentioned trade-mark registrations were expunged as of March 8, 2000. Accordingly, at the present time there is no basis of support for the opponent's ground of opposition pursuant to Section 12(1)(d), which ground is therefore rejected.

With respect to the remaining grounds of opposition, the determinative issue in this proceeding is whether the applied for mark THE RIGHT CARD is confusing with the opponent's

mark THE RIGHT CHOICE. The material dates to consider the issue of confusion is the date of filing of the subject application (that is, October 20, 1993) with respect to the ground of opposition pursuant to Section 16(3), and the date of opposition (that is, May 2, 1996) with respect to 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 C.P.R.(3d) 198 at 206 - 209 (F.C.T.D.). In the circumstances of this case, nothing turns on whether the issue of confusion is determined at any particular material date.

The legal onus is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of Section 6(2), between the applied for mark THE RIGHT CARD and the opponent's mark THE RIGHT CHOICE. The presence of an 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: see *John Labatt Ltd. v. Molson Companies Ltd.* (1990) 30 C.P.R.(3d) 293 at 297-298 (F.C.T.D.). 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 set out in Section 6(5) 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; all relevant factors are to be considered. All factors do not necessarily have equal weight. 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 C.P.R.(3d) 308 (F.C.T.D.).

The opponent's mark THE RIGHT CHOICE possesses a fairly low degree of inherent distinctiveness as it is a laudatory phrase. Similarly, the applied for mark THE RIGHT CARD possesses a fairly low degree of inherent distinctiveness as it too is laudatory. I conclude from the opponent's evidence that its mark THE RIGHT CHOICE had acquired a substantial reputation in Canada as of the material dates in association with the various wares sold through the opponent's

retail stores. However, it is not clear from the evidence that the mark THE RIGHT CHOICE has acquired an equal reputation in association with the servicing and maintenance of vehicles. The applied for mark THE RIGHT CARD is based on proposed use in Canada and there is no evidence that it has acquired any reputation at any material time. The length of time that the marks in issue have been in use favours the opponent as it has been using its mark THE RIGHT CHOICE since 1986.

As far as I am able to determine from the evidence of record, the nature of the parties' services and trades overlap considerably as both parties are providing vehicle parts and vehicle repair services. The applicant's automotive services appear to have an added feature namely, THE RIGHT CARD service, which permits the consumer to quickly match his vehicle to the correct replacement parts.

The parties' marks THE RIGHT CARD and THE RIGHT CHOICE resemble each other visually and aurally to a fair extent as both marks begin with the phrase THE RIGHT. Further, it is the first portion in a trade-mark that is the most relevant for purposes of distinction: see *Conde Nast Publications Inc. v. Union Des Editions Modernes* (1979) 26 C.P.R.(2d) 183 at 188 (F.C.T.D.), *Pernod Ricard v. Molson Breweries* (1992), 44 C.P.R. (3d) 359 at 370 (F.C.T.D.). However, in a case such as this, where the first portion of the mark is a descriptive or laudatory phrase, the importance of the first portion for the purposes of distinction is significantly diminished. The ideas suggested by the marks in issue are quite different. The applied for mark suggests an identification card or a credit card used in conjunction with the applicant's services while the opponent's mark suggests to the consumer that he has chosen the best alternative.

Keeping in mind that the test for confusion requires the marks in issue to be considered in their entireties, that the opponent's mark possesses a low degree of inherent distinctiveness, and that the opponent has not demonstrated a significant reputation for its marks in association with automotive wares or services, I find that, on the balance of probabilities, the applied for mark THE RIGHT CARD is not confusing with the opponent's mark THE RIGHT CHOICE.

The opponent's allegations of confusion between its marks THE RIGHT CHOICE HAS NEVER BEEN SO CLEAR. CANADIAN TIRE and CANADIAN TIRE. THE RIGHT CHOICE HAS NEVER BEEN SO CLEAR and the applied for mark are considerably weaker than the allegation of confusion with its mark THE RIGHT CHOICE. In this regard, (i) the opponent has not established a significant reputation for its two above-mentioned marks and (ii) those marks resemble the applied for mark to a lesser degree than the mark THE RIGHT CHOICE. It follows that the applied for mark is not confusing with either of the opponent's two above-mentioned marks.

In view of the above, the opponent's opposition is rejected.

DATED AT HULL, QUEBEC, THIS 17th DAY OF MAY, 2000.

Myer Herzig,
Member,
Trade-marks Opposition Board