



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

Citation: 2014 TMOB 212
Date of Decision: 2014-09-30

**IN THE MATTER OF AN OPPOSITION
by Credit Union Central of Canada to
application No. 1,537,578 for the trade-
mark CUALLIX in the name of Cade
Capital LLC**

Introduction

[1] Cade Capital LLC (the Applicant) has applied to register the trade-mark CUALLIX (the Mark) based upon proposed use in Canada in association with various financial services.

[2] Credit Union Central of Canada (the Opponent) has opposed the application primarily on the basis that there is a reasonable likelihood of confusion between the Mark and the Opponent's previous use and making known of its CU registered trade-marks and certification marks in association with financial and related services. The Opponent also alleges technical grounds of opposition based on non-compliance of the application under section 30 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act).

[3] For the reasons that follow, I find that this application should be refused.

Background

[4] On July 28, 2011, the Applicant filed application No. 1,537,578 for the registration of the Mark based on proposed use in association with the following services:

Financial services, namely, check cashing, providing temporary payday loans, credit card services, money order services, Automatic Teller Machine (ATM) services, financial transaction services, namely, providing secure commercial transactions and online financial planning services.

The Applicant claims priority under section 34 of the Act on the ground that an application for registration of the same trade-mark was filed in the United States on January 31, 2011, under No. 85/229812.

[5] The application was advertised in the *Trade-marks Journal* on October 17, 2012, and the Opponent filed a statement of opposition on February 11, 2013 based on the following grounds of opposition set out in under section 38 of the Act: section 30(a), section 30(e), section 30(i), section 12(1)(d), section 16(3)(a) and section 38(2)(d). The last three grounds turn on a determination of the issue of confusion between the Mark and the Opponent's trade-mark registrations attached hereto as Schedule A and/or the Opponent's certification marks attached here to as Schedule B.

[6] In support of its opposition, the Opponent filed the affidavits of Sandra Bayley and Jane Buckingham. Neither affiant was cross-examined.

[7] The Applicant elected not to file any evidence.

[8] Only the Opponent filed a written argument and no oral hearing was held.

Onus and Material Dates

[9] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. There is however an initial 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 [*John Labatt Ltd v Molson*

Companies Ltd (1990), 30 CPR (3d) 293 (FCTD) at 298; *Dion Neckwear Ltd v Christian Dior, SA* (2002), 20 CPR (4th) 155 (FCA)].

[10] The material dates that apply to the grounds of opposition are as follows:

- Section 38(2)(a)/Section 30 - the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- Section 38(2)(b)/Section 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 CPR (3d) 413 (FCA)];
- Section 38(2)(c)/Section 16(3)(a) – the priority filing date of the application;
- Section 38(2)(d)/non-distinctiveness - the date of filing of the opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Opponent's Evidence

[11] Ms. Buckingham, trade-mark searcher employed by the Opponent, searched the Canadian trade-mark database for all active marks of record that contain the element CU owned by the Opponent for all wares and services. Attached as Exhibit A to her affidavit are the particulars for 58 active trade-marks and certification marks that are comprised of the CU element and are owned by the Opponent.

[12] Ms. Bayley is the Opponent's Manager of Trade-marks and Intellectual Property. The Opponent was incorporated in 1953 and remains the national trade association for credit unions across nine provinces. She explains that credit unions are full service financial institutions and that the only difference between a credit union and a bank is that credit unions are owned by their retail customers, i.e. members.

[13] Ms. Bayley further states that as of December, 2012, there were 348 credit unions in Canada affiliated with the Opponent. These credit unions had 1,762 locations, over 5.3 million

members, \$152.5 billion in assets, \$134.6 billion in deposits, \$127 billion in loans and 27,600 employees.

[14] Attached as Exhibit 2 to her affidavit is a list of 64 registered and unregistered CU trade-marks and certification marks owned by the Opponent. Ms. Bayley's affidavit also introduces evidence of Canadian marketplace use by the Opponent of 36 registered marks and 8 unregistered marks that contain a CU element and have been used in association with financial and related services. She explains that the Opponent is particularly proud of the family of CU trade-marks that it has built up over the years including the marks CUSAVE, CUBILL, CUBOND, CUSOURCE, CULINE, CUCREDIT, CULEASE, and CUSALES.

[15] A list of current trade-mark licensees is attached to Ms. Bayley's affidavit as Exhibit 3 and she explains that there are licenses in place in favour of these licensees. Ms. Bayley explains that these licenses govern use of the various marks and provide for control by the Opponent over the character and quality of the goods/services associated with the respective trade-marks.

[16] Attached to her affidavit as exhibits are examples of advertising, promotional items and printed material dating from at least as early as 1995 until 2013 displaying one or more of the Opponent's trade-marks including annual reports, the Opponent's Financial Highlights for various years, Reports to Stakeholders, newsletters, website printouts, advertisements, brochures, and pamphlets. In its written argument, the Opponent provided a helpful table showing where evidence of marketplace use can be found of 44 of the Opponent's trade-marks in the Bayley affidavit. Part of this table is reproduced below.

Trade-mark	Registration No.	Evidence
CULINE	TMA638,033	Bayley, Exhibits 77-78, 85-86
CUCREDIT	TMA549,563	Bayley, Exhibit 70
CUBILL	TMA557,248	Bayley, Paragraph 15(a) and Exhibits 47-52

CUBOND	TMA570,442	Bayley, Paragraph 15(a) and Exhibits 47, 53
CUSAVE	TMA689,514	Bayley, Paragraph 19(d) and (e); Exhibits 61, 63-65
CUSALES	TMA718,619	Bayley, Exhibit 73
CULEASE	TMA555,067	Bayley, Exhibits 101-102
CUSOURCE	TMA650,543	Bayley, Paragraph 8 and Exhibits 4-24

[17] While Ms. Bayley's affidavit lacks particulars in some areas of her testimony regarding the extent these marks have been used or made known in Canada, she does provide the following specific statements with respect to the marks CUSOURCE, CUSAVE, CUBILL and CUBOND (hereinafter collectively referred to as the Opponent's Marks):

- in 2012, the net sales of CUSOURCE services were in excess of \$2.9 million (Bayley, para. 8 and Exhibit 4-24);
- as of May 2013, the Biggar and District Credit Union had approximately \$37.5 million on deposit in CUSAVE accounts (Bayley, para. 19(d) and (e) and Exhibits 61, 63-65); and
- as of June, 2013, the investment portfolio for CUBILL was approximately \$34,170,000 and the total investment portfolio for CUBOND was approximately \$585,000 (Bayley, para. 15(a) and Exhibits 47-53).

[18] The financial services provided by the Opponent under the Opponent's Marks include: investment account services, the provision of term deposits, savings plans and RRSP plans, credit union services related to term deposits and the provision of accreditation services in the credit union and financial services field.

Non-registrability – Section 12(1)(d)

[19] With respect to the section 12(1)(d) ground, the Registrar has the discretion, in view of the public interest, to check the register for registrations relied upon by an opponent [*Quaker Oats Co of Canada Ltd/Cie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. I have exercised my discretion to confirm that the Opponent's Marks are in good standing as of today's date.

[20] Since the Opponent has discharged its initial burden with respect to this ground of opposition to the extent that the Opponent's Marks are concerned, 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 Marks.

[21] The Opponent's Marks all include the element CU. As noted above, the Opponent's Marks are all registered for similar or related financial services.

the test for confusion

[22] 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 section 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.

[23] This list of enumerated factors is not exhaustive and it is not necessary to give each one of them equal weight [see, in general, *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th)

321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC); *Masterpiece Inc v Alavida Lifestyles Inc et al* (2011), 92 CPR (4th) 361 (SCC)].

section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known

[24] The Mark is inherently strong as it is a coined word and is not descriptive or suggestive of its associated services. The Opponent's Marks are not as inherently strong because the second component of most of the Opponent's Marks is descriptive of the nature of the Opponent's services associated with that mark (eg. CUBOND for credit union services related to term deposit investments; CUSAVE for investment account services).

[25] The strength of a trade-mark may be increased by means of it becoming known through promotion or use. From the evidence furnished I am satisfied that the Opponent's Marks have become known in Canada. Since the Applicant has filed no evidence of use of its Mark in Canada, I must conclude that it has not become known at all.

section 6(5)(b) - the length of time each trade-mark has been in use

[26] The length of time that each mark has been in use favours the Opponent as the Opponent has shown evidence of use of the Opponent's Marks for several years while the Applicant has not shown any use of its Mark.

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

[27] When considering the wares, services and trades of the parties, it is the statement of wares or services in the parties' trade-mark application and registrations that govern in respect of the issue of confusion arising under section 12(1)(d) [*Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA); *Miss Universe Inc v Bohna* (1994), 58 CPR (3d) 381 (FCA)].

[28] The parties' services belong to the general category of financial and related services.

[29] There is no evidence of record regarding the nature of the Applicant's trade and neither the Applicant's application nor the Opponent's registrations include any restriction regarding the channels of trade. As a result, given the direct overlap in the parties' services, I conclude that the channels of trade associated with the parties' services could overlap.

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

[30] When considering the degree of resemblance between the marks, the law is clear that the marks must be considered in their totality; it is not correct to lay the trade-marks side by side and compare and observe similarities or differences among the elements or components of the marks. Further, while the Supreme Court of Canada in *Masterpiece* observed that the first word of a trade-mark may be the most important for purposes of distinction [*Conde Nast Publications v Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD)], it opined that the preferable approach is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique.

[31] In the present case, I find that the first component of the Opponent's marks, the CU prefix, to also be the most striking or unique components of the Opponent's marks. As noted above, the second components of the Opponent's marks are often descriptive or suggestive of the Opponent's services. The component CU is therefore the most important element of the Opponent's marks for purposes of distinction.

[32] In view that the Mark also begins with the element CU, I find that there is some degree of resemblance between the marks in appearance and sound. I do not find there to be any resemblance between the marks in ideas suggested, however, as in my view the Mark has no identifiable meaning whereas the Opponent's Marks are suggestive of the financial services associated with those marks.

further surrounding circumstances

[33] As an additional surrounding circumstance, I have considered the Opponent's family or series of marks. As discussed above, the Opponent has evidenced use of many of its CU prefixed trade-marks in the marketplace, including CUSOURCE, CUBOND, CUSAVE, CUBILL, CULINE, CUCREDIT, CULEASE and CUSALES [*McDonald's Corp v Yogi Yogurt Ltd* (1982), 66 CPR (2d) 101 (FCTD)]. I am therefore satisfied that the Opponent has established the existence of a family of trade-marks that include the component CU for use in association with financial and related services. I conclude that consumers familiar with the Opponent's CU prefixed marks may be more likely to assume that the Applicant's Mark is part of the Opponent's family because it begins with the same component CU. The Opponent's family of trade-marks therefore increases the likelihood of confusion in the present case.

Conclusion

[34] In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. As noted above, the onus or legal burden is on the Applicant to show no reasonable likelihood of confusion between the parties' marks on a balance of probabilities.

[35] In view of my findings above, I conclude that the Applicant has not satisfied its onus to show that, on a balance of probabilities, there is no reasonable likelihood of confusion between the Mark and the Opponent's Marks. I arrive at this conclusion having regard in particular to the acquired distinctiveness of the Opponent's Marks, the overlap between the parties' services, the existence of the Opponent's family of CU prefixed marks and the fact that the Applicant may have lost interest in these proceedings as suggested by its decision to not put forward any evidence or argument in support of its application. The section 12(1)(d) ground of opposition therefore succeeds.

Non-distinctiveness Ground – Section 38(2)(d) of the Act

[36] While there is a legal onus on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes its services from those of others throughout Canada [*Muffin Houses Incorporated v The Muffin House Bakery Ltd* (1985), 4 CPR (3d) 272 (TMOB)], there is

an initial evidential burden on the Opponent to establish the facts relied upon in support of the ground of non-distinctiveness.

[37] Pursuant to its evidential burden, the Opponent is under an obligation to show that, as of the filing of the statement of opposition, one or more of the Opponent's trade-marks had become known sufficiently to negate the distinctiveness of the Mark [*Bojangles' International, LLC v Bojangles Café Ltd* (2004), 40 CPR (4th) 553, affirmed (2006), 48 CPR (4th) 427 (FCTD)].

[38] Based on my review of the Opponent's evidence, I am satisfied that the Opponent has provided sufficient evidence to support a finding that one or more of the Opponent's trade-marks had become known sufficiently to negate the distinctiveness of the Mark as at the date of filing the statement of opposition (i.e. February 11, 2013).

[39] The difference in material dates does not change my analysis of the likelihood of confusion. The non-distinctiveness ground of opposition is therefore also successful.

Remaining Grounds of Opposition

[40] In view that I have found the Opponent successful on two grounds of opposition, I do not find it necessary to consider the remaining grounds.

Disposition

[41] In view of the above and pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

Cindy R. Folz
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Schedule A

Trade-mark	Application/Registration No.
CCUA	1,555,046
CU BONUS BUILDER & Design	TMA569,469
CU BONUS BUILDER	TMA569,232
CU BY PHONE	TMA577,385
CU BY PHONE and Design	TMA577,824
CU CREDIT	TMA556,563
CU FLEX and Design	TMA447,813
CU LINE	TMA706,393
CU NET	TMA696,316
CU SOLUTIONS	TMA571,870
CU STEP	TMA644,578
CU TAKE TEN & Design	TMA557,357
CU TAKE TEN	TMA557,454
CU-XCHANGE	TMA680,281
CU-XCHANGE & Design	TMA680,282
CU@HOME	TMA591,042
CU@WORK	1,430,676
CUANYTIME.COM	TMA516,332
CUANYTIME.COM and Design	TMA543,475
CUBILL	TMA557,248
CUBOND	TMA570,442
CUCARDSONLINE.COM	TMA567,980
CUCORP	TMA487,559
CUCORP and Design	TMA493,921
CUCREDIT	TMA549,563
CUDA	TMA616,639
CUETS	TMA541,660
CUIC	TMA614,942
CUINCLUSIVE	TMA615,272
CUIS & Design	TMA549,588
CUIS	TMA549,587
CULEASE	TMA555,067
CULEASE FINANCIAL SERVICES & Design	TMA537,810
CULINE	TMA638,033
CULINK	1,528,858
CUPS	TMA696,906
CUSALES	TMA718,619
CUSAVE	TMA689,731
CUSOURCE & Design	TMA650,731
CUSOURCE	TMA650,543
CU 55 PLAN	TMA517,147

CU CARD	TMA354,942
CU CONTACT & Design	TMA343,626
CU-CHEK	TMA169,645
CUDATA	TMA364,743
CUE & Design	TMA334,088
CUE	TMA336,301

Schedule B

Trade-mark	Certification Mark
CU 55 PLAN	TMA517,147
CU CARD	TMA354,942
CU CONTACT & Design	TMA343,626
CU-CHEK	TMA169,645
CUDATA	TMA364,743
CUE & Design	TMA334,088
CUE	TMA336,301