

**IN THE MATTER OF AN OPPOSITION  
by Home Hardware Stores Limited  
to application no. 871,254 for the trade-  
mark CANADIAN TIRE 'MONEY' filed  
by Canadian Tire Corporation, Limited**

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On March 4, 1998 the applicant Canadian Tire Corporation, Limited filed an application to register the trade-mark CANADIAN TIRE 'MONEY,' based on use in Canada since at least as early as March 1, 1995 in association with

a program for the giving of cash bonuses to retail customers through the issuance and redemption of cash bonus coupons.

The application as initially filed disclaimed the right to the exclusive use of the word CANADIAN apart from the mark as a whole. However, the Examination Section of the Trade-marks Office objected that the applicant was required to also disclaim the term MONEY for the reason that "it indicated that the applicant's services encompass the issuance and redemption of money or medium of exchange."

The applicant was unsuccessful in overcoming the Examination objection and, under protest, submitted a revised application ceding to the further requirement for a disclaimer. The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated July 21, 1999 and was opposed by Home Hardware Stores Limited on December 21, 1999. A copy of the statement of opposition was forwarded by the Registrar to the applicant on January

18, 2000. The applicant responded by filing and serving a counter statement generally denying the grounds of opposition. The opponent was granted leave to submit an amended statement of opposition on November 28, 2001.

The grounds of opposition, as pleaded, are shown below:

Section 38(2), (b) and (d) and Section 2, 30(a) and (b)

(a) The trade-mark claimed in the subject application is not a valid trade-mark and is not registrable for use with the claimed service, because:

(i) It is the name of the ware Canadian Tire Money;

(ii) it is not actually distinctive of nor is it adapted to distinguish the claimed service because it is the ware that is used and known as Canadian Tire Money;

(iii) it is used only as the name of the physical coupon given to Canadian Tire customers as being Canadian Tire Money; and

(iv) it is not inherently nor from its use is it suitable as a mark for services.

Section 38(2)(a) and Section 30(a)

(b) The application does not conform with the requirements of subsection 30(a) of the Act. More specifically, the application does not contain a statement in ordinary commercial terms of the specific wares or services in association with which the mark has been used;

Section 38(2)(a) and Section 30(b)

(c) The application does not conform with the requirements of subsection 30(b) of the Act. More

specifically, the trade-mark has not been used in association with each of the general classes of services described in the application since the date claimed in the application;

Section 38(2)(a) and Section 30(I)

(d) The application does not conform with the requirements of subsection 30(I) of the Act. More specifically, the Applicant could not have been satisfied that it was, or is entitled to use the trade-mark CANADIAN TIRE `MONEY` In association with the services set out in the application, because the Applicant must have known that its trade-mark:

i) is clearly descriptive or deceptively misdescriptive of the character or quality of the services in association within it is alleged to be used;

and

ii) is not distinctive in that it does not, and cannot distinguish the services in association with which it is alleged to be used from the wares or services of others nor is it adapted to distinguish them.

Section 38(2)(b) and Section 12(1)(b)

(e) The trade-mark claimed in the subject application is not registrable. Subsection 12(1)(b) of the Act prohibits the registration of a trade-mark which is clearly descriptive or descriptive misdescriptive of the character or quality of the wares or services in association with which it is alleged to be used. The trade-mark CANADIAN TIRE `MONEY` is not registrable in that it is clearly descriptive or deceptively misdescriptive of the character or quality of the services in association with which it is alleged to be used.

Section 38 (2)(b), Section 12(1)(e) and Section 10

(f) Subsection 12(1)(e) of the Act prohibits the registration, inter alia, of a mark the adoption of which is prohibited by Section 10 of the Act. The trademark CANADIAN TIRE `MONEY` is not registrable in that it is a mark the adoption of which is prohibited by Section 10 of the Act. Without limiting the generality of the foregoing, the words CANADIAN TIRE `MONEY` alone and together, have by ordinary and bona fide commercial usage become recognized in Canada as designating the kind, quality, value or place of origin of the applied for services in Canada. Further, the use of these words as a trade-mark would be misleading.

Section 38(2)(d) and Section 2

(g) The trade-mark claimed in the subject application is not distinctive. Section 2 of the Act provides that “distinctive” in relation to a trade-mark means a trade-mark that actually distinguishes the wares or services in association with which it is used by its owner from the wares or services or others or is adapted to distinguish so as to distinguish them. The Opponent submits that the trade-mark CANADIAN TIRE `MONEY` is not, and cannot be, distinctive of the services of the Applicant as described in the subject application, nor is it adapted to distinguish the Applicant’s services from the services of others.

The opponent’s evidence consists of the affidavit of Tonia R. Pedro, a law clerk with the firm representing the opponent. The applicant’s evidence consists of the affidavits of Eymbert Vaandering, an executive with the applicant company; Lorraine Devitt, a law clerk with the firm

representing the applicant; and Christine Walo, secretary. Both parties filed written arguments and both parties were represented at an oral hearing.

Mr. Vaandering's affidavit evidence may be summarized as follows. The opponent sells products made to its specifications to associate Canadian Tire stores which are independently owned and operated. Canadian Tire gas stations are found in close proximity to Canadian Tire retail stores. The opponent began a cash bonus coupon program redeemable at gas stations in the 1950's and extended the program to its retail stores in the 1960's. The program consists of giving "cash bonuses" at a pre-determined percentage on the price of goods purchased at Canadian Tire stores, that is, the face value of the coupon reflects their value on redemption on the purchase of merchandise at Canadian Tire stores. Commencing in 1994 and through 1995 the program was extended and became national in scope with coupons being issued and redeemable at every Canadian Tire store across Canada. The public refers to the coupons as "Canadian Tire money." Since 1996, coupons with a face value in excess of \$80 million have been issued annually. Annual advertising expenditures for the coupon discount program has increased from \$1.5 million in 1996 to \$2.5 million in 2000. More than 60% of Canadians shop at a Canadian Tire store on a monthly basis and 85% of the Canadian population lives within a 15 minute drive of a Canadian Tire store. The opponent's sales were in excess of \$200 million in 1970 and have since increased to \$5.2 billion in 2000.

In accordance with the usual rules of evidence, there is an evidential burden on the opponent to prove the facts inherent in respect of the allegations pertaining to each ground of

opposition. The presence of an evidential burden on the opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist: see *Joseph E. Seagram & Sons v. Seagram Real Estate Ltd.* (1984), 3 C.P.R.(3d) 325 at 329-30 (TMOB), and see *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R.(3d) 293 at 297-300 (F.C.T.D.).

With respect to the first ground of opposition denoted by (a) above, the allegations therein merely repeat allegations raised in the other grounds of opposition which are discussed below.

With respect to the second ground of opposition denoted by (b) above, the material date to assess compliance with Section 30 is the date of filing the application, in this case March 4, 1998: see, for example, *Style-Kraft Sportswear Ltd. v. One Step Beyond Ltd.* (1993) 51 C.P.R.(3d) 271. The opponent has not submitted any evidence to show that the applicant has failed to describe its service in ordinary commercial terms. Instead, the opponent relies on *Kraft Ltd. v. Registrar of Trade Marks* (1984), 1 C.P.R. (3d) 457 to argue that the applicant is offering a ware under the applied for mark, that is, the coupon itself, rather than a service. I agree with the opponent that the evidence in this proceeding supports the premise that the term CANADIAN TIRE MONEY is used by the public to identify the applicant's redemption coupon. However, I see no reason why the term CANADIAN TIRE 'MONEY' cannot also be used as a trade-mark to identify the applicant's discount coupon program. In this regard, the *Kraft* case, above, gives wide latitude for what a person may provide as a service, at page 461:

The basic requirement of a trade mark with respect to services, then, is that it "distinguish ... services ... performed by [a person] from those ... performed by others ... ". It is this definition which brings within the scope of the Act trade marks with respect to services. I can see nothing in this definition to suggest that the "services" with respect to which a trade mark may be established are limited to those which are not "incidental" or "ancillary" to the sale of goods. Kraft has submitted that **it is providing a service by making its coupons widely and randomly available to consumers** who, by the use of such coupons, can obtain its products at a reduced price. **I can see no reason why this cannot be described as a service** and I see nothing in the Act which requires the registrar to reject Kraft's statement of its services as "providing coupon programs pertaining to a line of food products".  
(emphasis added)

The success of the applicant's coupon redemption program has no doubt contributed to the identification of the coupon itself as "Canadian Tire money." In any event, while there might be a more apt expression than "cash bonuses" to describe the applicant's discount coupon program, in my view the description of the service specified in the subject application suffices to comply with Section 30(a) of the *Trade-marks Act*. The second ground of opposition is therefore rejected.

With respect to the third ground of opposition denoted by (c) above, the opponent has not adduced any evidence to support its contention that the applied for mark has not been used since at least as early as March 1, 1995 as claimed in the subject application. Further, Mr. Vaandering's testimony, at paragraph 11 of his affidavit, establishes use of the applied for mark as claimed by the applicant. The third ground of opposition is therefore rejected.

With respect to the first aspect of the fourth ground of opposition denoted by d(i) above, the opponent notes that for a trade-mark to be found to be deceptively misdescriptive, it must first be found to be descriptive so as to suggest that the wares or services are something that is not the case: see *Atlantic Promotions Inc. v. Registrar of Trade-marks* (1984) 2 C.P.R. (3d) 183 (F.C.T.D.). A deceptively misdescriptive mark is one which misleads the public as to the character or quality of the wares or services. The opponent argues that (1) the words CANADIAN TIRE MONEY “ . . . clearly point to the character of those services, namely that Canadian tire gives out what it refers to as Canadian Tire money as part of its cash program” and (2) the coupons are not in fact “money” in the traditional sense: see paragraph 48 of the opponent’s written argument. I agree with the opponent that the applicant’s coupons are not money, that is, not a commonly accepted medium of exchange in circulation. I do not agree that the public would be led or misled into thinking that the applicant’s discount program offers money. In my view, the term CANADIAN TIRE ‘MONEY’ is a fanciful expression that identifies the applicant’s discount coupon and that also identifies the applicant’s discount program for cash paying customers. In the absence of any evidence supporting the opponent’s argument that consumers would believe that the applicant’s coupons represent actual money, I find no merit, at any material date, in the opponent’s allegations that the applied for mark is clearly descriptive or deceptively misdescriptive of the applicant’s services.

The second aspect of the fourth ground of opposition, denoted by d(ii) above, and the last ground of opposition denoted by (g) above, both allege that the applied for mark CANADIAN



TIRE 'MONEY' is not distinctive of the applicant's services. In the opponent's written argument, the allegation of non-distinctiveness is based on the premises that the applicant's mark identifies a ware rather than a service, and that the term "Canadian Tire money" is clearly descriptive of the applicant's discount coupon. As I have said earlier, I see no reason why the applied for mark cannot be used to identify both the discount coupon and the discount program. It is tautological that a program must be in place to administer the discount offered on the face of the coupon. Nor do I agree that the term "Canadian Tire money" is clearly descriptive of the applicant's discount program at any material time. At best, the term CANADIAN TIRE 'MONEY', when used in association with a coupon program, is suggestive of something which entitles consumers to savings when shopping at Canadian Tire outlets. The second aspect of the fourth ground is therefore rejected.

The fifth ground of opposition, denoted by (e) above, alleges that the applied for mark is not registrable because it is either clearly descriptive or deceptively misdescriptive of the applicant's services. For the reasons discussed above, I find that the mark is neither clearly descriptive or deceptively misdescriptive of the applicant's coupon program at any material date.

The opponent has not adduced any evidence to support the sixth ground of opposition denoted by (f) above. As the opponent has not met its evidential burden, the sixth ground of

opposition is rejected.

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

DATED AT VILLE DE GATINEAU, QUEBEC, THIS 21<sup>st</sup> DAY OF JANUARY, 2004.

Myer Herzig,  
Member,  
Trade-marks Opposition Board