

**IN THE MATTER OF OPPOSITIONS BY
Air Canada to applications Nos. 1,179,333;
1,179,334 and 1,179,335 for the trade-marks
ASTAR AIR CARGO & Design, ASTAR and
ASTAR AIR CARGO filed by DHL Airways,
Inc. (Now Astar Air Cargo, Inc.)**

On May 27, 2003, the applicant, DHL Airways, Inc. (now Astar Air Cargo, Inc.), filed applications to register the trade-marks ASTAR AIR CARGO & Design (shown below), ASTAR and ASTAR AIR CARGO based on proposed use in Canada for the following services:




transportation services, namely transportation of documents, goods and parcels by land, sea and air; packaging of goods for transportation and storage; storage of documents, parcels and goods of all kinds and delivery of documents, parcels and goods of all kinds by land, sea and air; courier services; shipping and freight forwarding; freight brokerage and forwarding of cargo.

The first and third applications were amended to include a disclaimer to the words AIR CARGO. All three applications were advertised for opposition purposes on May 19, 2004.



The opponent, Air Canada, filed essentially identical statements of opposition against the three applications on July 8, 2004, copies of which were forwarded to the applicant on August 5, 2004. The first ground of opposition in each case is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Trade-marks Act because it

is confusing with the following four registered trade-marks owned by the opponent:

<u>Registration No.</u>	<u>Trade-mark</u>
486,603	
486,604	
486,605	STAR ALLIANCE
504,728	STAR ALLIANCE 

All four registrations cover the following wares:

computer software used to analyze, manage, retrieve and store airline transportation and data, printed matter and publications, namely printed plastic cards; pamphlets, brochures, tickets and coupons; newsletters pertaining to travel

and the following services:

air transportation of persons, property and mail; reservation booking and arrangement services for travel tours and cruises; car reservation services; hotel reservation services; computerized transportation, information and data retrieval and storage services.

The second ground of opposition in each case is that the applicant is not the person entitled to registration pursuant to Section 16(3)(a) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the four registered trade-marks noted above previously used in Canada by the opponent. The third ground of opposition is that the applicant's application does not conform to the requirements of Section 30(e) of the Trade-marks Act in that the applicant had previously used the applied for trade-mark, had no intention of using that mark or had subsequently abandoned it. The fourth ground is that the applicant's application does not conform to the requirements of Section 30(i) of the Act in view of the opponent's previous use and registration of its four trade-marks noted above. The fifth ground of opposition in each case is that the applicant's trade-mark is not distinctive because it is confusing with the opponent's previously used and registered trade-marks.

The applicant filed and served a counter statement in each opposition. As its evidence in each case, the opponent submitted an affidavit of Louise-Hélène Sénécal. The applicant's evidence in each case comprises the affidavits of Margaret Fitzpatrick and Steven A. Rossum. Both parties filed a written argument in each opposition and an oral hearing was conducted at which both parties were represented.

THE OPPONENT'S EVIDENCE

In her affidavit, Ms. Sénécal identifies herself as the Assistant General Counsel for

the opponent, Air Canada. She states that Air Canada is a founding member of the Star Alliance network of airlines which was formed in 1997 by five airlines. As of the date of her affidavit (i.e. - March 25, 2005), the alliance included fifteen different airlines. Ms. Sénécal states that Air Canada is the registered owner of the four trade-mark registrations relied on in the statements of opposition and she appended particulars of those registrations as Exhibit A to her affidavit.

The registrations cover various wares and services. However, a review of the Sénécal affidavit reveals that the Star Alliance network is essentially a customer loyalty program which allows holders of the opponent's AEROPLAN card to receive additional benefits from the member airlines. Ms. Sénécal indicates that Air Canada operates a large number of daily passenger flights to numerous destinations. According to her, the Star Design trade-mark appears on every one of the aircraft in Air Canada's fleet. She also states that the STAR ALLIANCE marks appear on signs at Canadian airports, on luggage tags used by passengers holding premium tickets, on the opponent's AEROPLAN cards and in the opponent's in-flight magazine entitled "En Route."

From a review of the Sénécal affidavit, it is apparent that the various STAR ALLIANCE marks have been employed in different fashions. It is less clear that the marks have been used in association with the particular wares and services listed in the opponent's registrations. Further, Ms. Sénécal's observations that each of the millions of passengers of the opponent and millions of passengers on other airlines in the Star Alliance network have

seen the STAR ALLIANCE marks are hearsay. Given that the marks are displayed in different places, undoubtedly many passengers have seen one or more of the marks but it is unclear if the numbers are as large as attested to by Ms. Sénécal.

It is also unclear who is using the STAR ALLIANCE marks. Although Air Canada is the registered owner of the marks in Canada, many of the displays of the marks identify various members of the Star Alliance network with no indication as to any trade-mark ownership or any license agreement. Exhibit G to the Sénécal affidavit is a photocopy of the August 2004 issue of the opponent's in-flight magazine and includes the STAR ALLIANCE marks with a list of all the member airlines. It also includes the statement that "US Airways serves Canada" and has joined the network. The opponent's website displays STAR ALLIANCE marks and the phrase "A Star Alliance Member" and a listing of member airlines with no trade-mark ownership or licensing information (see Exhibit H).

Advertising material for the opponent's AEROPLAN program is also noteworthy. Exhibit J to the Sénécal affidavit, for example, is a photocopy of a direct mail advertising brochure which includes an ad for the opponent's London Lounge with the airline designations SAS and Air Canada above the phrase "A Star Alliance Member." It also includes a New Zealand ad with the airline Air New Zealand appearing next to that same phrase. Exhibit K is a photocopy of an AEROPLAN brochure which includes the following trade-mark notice:

Star Alliance is a Trademark of Air Canada, Deutsche Luftansa AG,
Scandinavian Airlines System Denmark-Norway-Sweden, Thai

Airways International Public Company Limited, and United Airlines Inc.

Thus, it appears that any or all of the Star Alliance network members are using the registered marks in Canada with no apparent licensing arrangement in favor of the opponent.

THE APPLICANT'S EVIDENCE

Ms. Fitzpatrick identifies herself as a Trade-mark Agent and states that she searched the Star Alliance website and the Air Canada Cargo website. The two exhibits to her affidavit comprise copies of all of the web pages from those two sites on the date she accessed them.

In his affidavit, Mr. Rossum identifies himself as the Executive Vice President, CFO and General Counsel of the applicant, Astar Air Cargo, Inc. Mr. Rossum states that, on May 27, 2003, DHL Airways announced a change of name to its air cargo division to Astar Air Cargo, Inc. Astar provides air cargo scheduled and charter services on a contract basis for the DHL Worldwide Express network. Mr. Rossum states that Astar has scheduled service to Calgary, Toronto and Gander. He further states that Canadian gross sales for the year 2004 were in excess of \$12 million.

THE GROUNDS OF OPPOSITION

As for the first ground of opposition in each case, the material time for considering

the circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in Conde Nast Publications Inc. v. Canadian Federation of Independent Grocers (1991), 37 C.P.R.(3d) 538 at 541-542 (T.M.O.B.). Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Finally, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act.

As for Section 6(5)(a) of the Act, the opponent's registered mark Star Design is inherently distinctive. However, since it is essentially a stylized design of a star, it is not an inherently strong mark. The other three registered marks either comprise or include the words STAR ALLIANCE which are suggestive or laudatory of a higher class of service provided by a network or alliance of airlines. It is apparent that the opponent's marks have been displayed in various fashions such that many airline customers of the opponent would have seen them. Thus, they have acquired at least some reputation in this country. However, it also appears that other members of the alliance have used the marks in question with nothing of record to indicate that such use would have accrued to the opponent's benefit. Thus, notwithstanding that the opponent owns four registrations for the marks, it appears that they are not necessarily distinctive of the opponent's services but rather are associated with other members of the Star Alliance network as well.

Given that ASTAR is a coined word, the applicant's marks are more inherently

distinctive than the opponent's marks. Mr. Rossum states that Canadian gross sales by the applicant provided under the ASTAR marks were greater than \$12 million for the year 2004. The opponent contends that those sales do not constitute use of the marks in Canada. Even if that is so, however, they do serve to add to the acquired reputation for the marks in this country. Thus, I am able to conclude that the applicant's marks have become known at least to some extent in Canada.

As for Section 6(5)(b) of the Act, the length of time the marks have been in use favors the opponent although, as noted, there appears to have been non-distinctive, unlicensed use of the registered marks by other airlines in this country. As for Sections 6(5)(c) and 6(5)(d) of the Act, it is the applicant's statement of services and the statements of wares and services in the opponent's registrations that govern: see Mr. Submarine Ltd. v. Amandista Investments Ltd. (1987), 19 C.P.R.(3d) 3 at 10-11 (F.C.A.), Henkel Kommanditgesellschaft v. Super Dragon (1986), 12 C.P.R.(3d) 110 at 112 (F.C.A.) and Miss Universe, Inc. v. Dale Bohna (1994), 58 C.P.R.(3d) 381 at 390-392 (F.C.A.). However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. In this regard, evidence of the actual trades of the parties is useful: see the decision in McDonald's Corporation v. Coffee Hut Stores Ltd. (1996), 68 C.P.R.(3d) 168 at 169 (F.C.A.).

There is an actual overlap in the services of the parties in that both the applicant's applications and the opponent's registrations cover what can be described as air cargo

services. However, none of the opponent's evidenced activities in relation to its registered marks involves air cargo services. In fact, as demonstrated by the web pages from the Air Canada Cargo website, none of the STAR ALLIANCE marks appears on that site. Any use of those marks is in relation to air passenger services in general and a customer loyalty program in particular. Any transportation of goods effected is only the baggage handling necessarily incidental to air passenger travel. In contrast, the applicant uses its marks in Canada for air cargo services only. Thus, although there is a connection between the trades of the parties since Air Canada does offer air cargo services, the wares and services actually sold or performed in association with the marks at issue are different. Furthermore, the trades actually associated with those marks also differ to some extent.

As for Section 6(5)(e) of the Act, I consider there to be some resemblance between the marks at issue since they all either include or comprise the word STAR or the design of a star. However, the applicant's marks begin with the coined word ASTAR which differs to some extent from the opponent's various registered marks.

As an additional surrounding circumstance, I have considered the fact that there has been not insubstantial contemporaneous use of the marks of both parties in Canada with no evidence of incidents of actual confusion having been evidenced. Although this evidence is not strong, it does serve to underscore to some extent the differing trades of the parties associated with those marks and the different customer bases at play.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. The onus or legal burden is on the applicant to show no reasonable likelihood of confusion on a balance of probabilities. In view of the inherent weakness of the opponent's marks, the weakness of the evidence adduced to support an acquired reputation for those marks, the unlicensed use of the opponent's marks by others tending to weaken their distinctiveness, the differences in the actual services and trades of the parties and the absence of actual confusion notwithstanding a period of contemporaneous use of the marks, I find that the applicant has satisfied the legal burden on it to show no reasonable likelihood of confusion between its marks and those of the opponent. Thus, the first ground of opposition in each case is unsuccessful.

As for the second ground in each case based on the provisions of Section 16(3)(a) of the Act, it was incumbent on the opponent to evidence use of its registered marks prior to the applicant's filing date and non-abandonment of those marks as of the applicant's advertisement date. This the opponent has done although, as noted, there appears to be use of those marks by unlicensed third parties as well.

In view of the above, the second ground remains to be decided on the issue of confusion as of the material time which, in this instance, is the applicant's filing date. For the most part, my conclusions respecting the first ground are also applicable here. Although the applicant had not commenced use of its marks as of the material time, the subsequent evidence of contemporaneous use without actual confusion suggests that such a

finding would also have been applicable as of the earlier date. Thus, I find that the marks at issue were not confusing as of the applicant's filing date and the second ground is also unsuccessful.

The third ground does not raise a proper ground of opposition. The opponent failed to include any supporting allegations of fact in support of its contentions that the applicant had previously used its mark, not intended to use its mark or subsequently abandoned its mark. In any event, the opponent adduced no evidence on point and the applicant's evidence is not inconsistent with its stated intention to use its applied for mark in Canada. Thus, the third ground in each case is also unsuccessful.

The fourth ground also does not raise a proper ground of opposition. The mere fact that the opponent has previously used and registered its trade-marks in Canada does not preclude the applicant from honestly making the statement in its applications that is required by Section 30(i) of the Act. Thus, the fourth ground in each opposition is also unsuccessful.

As for the fifth ground of opposition, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its services from the wares and services of others throughout Canada: see Muffin Houses Incorporated v. The Muffin House Bakery Ltd. (1985), 4 C.P.R.(3d) 272 (T.M.O.B.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the

opposition (i.e. - July 8, 2004): see Re Andres Wines Ltd. and E. & J. Gallo Winery (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.) and Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.). Finally, there is an evidential burden on the opponent to prove the allegations of fact in support of its ground of non-distinctiveness.

The fifth ground of opposition in each case essentially turns on the issue of confusion between the applicant's proposed mark and the opponent's marks as of the filing of the opposition. My conclusions respecting the first ground are, for the most part, also applicable here. Thus, I find that the marks at issue were not confusing as of the filing of the oppositions and the fifth ground is therefore also unsuccessful.

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I reject each of the opponent's three oppositions.

DATED AT GATINEAU, QUEBEC, THIS 6th DAY OF MARCH, 2008.

**David J. Martin,
Member,
Trade Marks Opposition Board.**