

IN THE MATTER OF AN OPPOSITION
by Mercedes-Benz A. G. to application No.
651,757 for the trade-mark AUTOSTOCK
& Design filed by Autostock Inc. [formerly
Groupe T.C.G. (Québec) Inc.]

On March 5, 1990, the applicant, Autostock Inc., filed an application to register the mark AUTOSTOCK & Design, illustrated below, based on use of the mark in Canada since July 1981.

The letters AUT and STOCK are in the colour blue, the design feature representing the letter O is in the colour red, the background is white and the colours are claimed as features of the mark. The word STOCK is disclaimed apart from the mark as a whole.

The application as originally filed was amended to cover

the operation of a business dealing in the repair and maintenance of motor vehicles of all kinds and in the sale, installation, repair and maintenance of motor vehicle accessories of all kinds . . . [including, for example, windshields and windows, carpets, sunroofs, ignition products, exhaust system components, shock absorbers, disk brakes, differentials, drive shafts, bolts and screws].

The subject application was advertised for opposition purposes in the Trade-marks Journal issue dated February 5, 1992, and opposed by Mercedes-Benz A. G. on March 5, 1992. A copy of the statement of opposition was forwarded to the applicant on April 21, 1992. The applicant responded by filing and serving a counter statement.

The first ground of opposition, pursuant to Section 30(b) of the Trade-marks Act, is that the applicant has not used the applied for mark in Canada since the date alleged in the application namely, July 1981. The second ground of opposition is that the application does not comply with Section 30(i) in that, at the time of filing the application and at the

date that the applicant allegedly commenced use of the applied for mark, the applicant was aware of the opponent's marks and could not have been satisfied as to its entitlement to use the applied for mark. Three representative forms of the opponent's marks are reproduced below. The opponent refers to its marks as variations of a THREE-POINTED STAR and I will do likewise.

The third ground of opposition is that the applied for mark AUTOSTOCK & Design is not registrable, pursuant to Section 12(1)(d), because it is confusing with the opponent's registered THREE-POINTED STAR marks covering, among other things, motor vehicles and parts and accessories for motor vehicles. The fourth ground of opposition is that the applicant is not entitled to register the applied for mark, pursuant to Section 16(1)(a), because it is confusing with the opponent's THREE-POINTED STAR mark previously used in Canada by the opponent and its predecessor in title. The fifth and final ground of opposition is that the applied for mark AUTOSTOCK & Design is not distinctive of the applicant's services in view of the opponent's previous and extensive use of its THREE-POINTED STAR mark.

The opponent's evidence in chief consists of the affidavits of David L. Leigh, a senior officer of the opponent's wholly owned subsidiary namely, Mercedes-Benz Canada Inc; and Peter R. Wilcox, law student. The applicant's evidence consists of the affidavits of Louis Claude Cardin, a senior officer of the applicant company; Claude Masson, a buyer for the Société de Transport de la Communauté Urbaine de Montréal; Allen James

Booth, a researcher in the area of trade-marks; and Natalie Grégoire, also a researcher in the area of trade-marks. The opponent's evidence in reply consists of a second affidavit by Mr. Leigh (sworn on May 20, 1994). None of the affiants were cross-examined on their affidavit evidence. Both parties filed a written argument and both were represented at an oral hearing.

The opponent has not filed any evidence in support of its first ground of opposition while the applicant's unchallenged and uncontradicted evidence (see paragraphs 11 and 16 of Mr. Cardin's affidavit) affirms sales by the applicant under the applied for mark since July 1981. In view of the above, the first ground of opposition is rejected.

With respect to the second ground of opposition pursuant to Section 30(i), even if the applicant had been aware of the opponent's THREE-POINTED STAR mark prior to filing the present application, such a fact is not inconsistent with the statement in the application that the applicant is entitled to use its mark AUTOSTOCK & Design in Canada [see *The Information Technology Association of Canada v. Siemens Aktiengesellschaft*, January 10, 1996, re application No. 622,588 for the mark ITAC, yet unreported, (TMOB)]. It may be that the opponent also intended to allege that the applicant could not have been satisfied that it was entitled to use the applied for mark because it was confusing with one or more of the opponent's marks. However, even if that allegation had been pleaded, the success of the second ground would be contingent on a finding of confusion between the marks in issue [see *Consumer Distributing Co. Ltd. v. Toy World Ltd.*, 30 C.P.R. (3d) 191 at 195; and *Sapodilla Co. Ltd. v. Bristol-Myers Co.*, 15 C.P.R. (2d) 152 at 155].

The determinative issue in this proceeding with respect to the remaining grounds of opposition is whether the applied for mark AUTOSTOCK & Design is confusing with

the opponent's mark THREE-POINTED STAR.

The issue of confusion is to be considered at the date that the applied for mark was first used namely, July 1981, with respect to the fourth ground of opposition pursuant to Section 16(1)(a); at the date that the statement of opposition was filed namely, March 5, 1992, with respect to the last ground of opposition alleging non-distinctiveness; and at the date of my decision with respect to the third ground of opposition based on Section 12(1)(d). The opponent's case is strongest at the earliest material date namely, July 31, 1981, that is, before the applicant began to use its mark AUTOSTOCK & Design. Thus, a consideration of the issue of confusion arising pursuant to Section 16(1)(a) will effectively decide the outcome of this proceeding.

In view of the provisions of Sections 16(1) and 16(5) of the Act, it was incumbent on the opponent to evidence the use of its trade-mark THREE-POINTED STAR prior to the applicant's alleged date of first use and to show that its trade-mark THREE-POINTED STAR was not abandoned as of the date of advertisement of the applied for mark in the Trade-marks Journal (i.e. - February 5, 1992). The first Leigh affidavit satisfies both of these requirements.

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* (March 12, 1996, T-1530-94, yet unreported). In considering the surrounding circumstances, I will also be taking into account circumstances arising after the material date July 31, 1981. In this respect, I am permitted to have regard to circumstances arising after the material date to the extent that I am able to draw inferences as to the situation existing as of the material date [see *Speedo Knitting Mills Pty. Ltd. v. Beaver Knitwear (1975) Ltd.* (1985), C.P.R.(3d) 176 at 184-185 (TMOB)].

Mr. Leigh's evidence, filed on behalf of the opponent, is fairly summarized at pages 3-4 of the opponent's written argument:

Mr. Cardin's evidence, filed on behalf of the applicant, details the applicant's corporate history and its use of the mark AUTOSTOCK & Design. In 1976, G. Lebeau Lteé, a company which specialized in motor vehicle accessories, acquired Monsieur Muffler, a company specialized in the sale and installation of mufflers. A further series of acquisitions and mergers with other companies specializing in motor vehicle parts and accessories (in 1980, 1983, and 1984) led to the creation of Group T.C.G. (Québec) Inc., which later (in 1990) changed its name to Autostock Inc., the applicant of record. The applicant, through a predecessor in title, has been using the applied for mark AUTOSTOCK & Design since June, 1981. The applicant effected about \$1.7 million in sales under its mark in 1981, rising steadily to about \$27.9 million in 1992. The applicant, at page 4 of its written argument, compares the applicant's sales of parts and accessories to the opponent's sales of motor vehicle parts and accessories, as disclosed in the evidence of record, under the parties' marks for the period 1987 to 1991:

The opponent's mark THREE- POINTED STAR possesses a fair degree of inherent distinctiveness, and was very well known in Canada at all material times through extensive use, advertising and promotion. I agree with the opponent that its mark THREE-POINTED STAR is entitled to a wide ambit of protection in the motor vehicle industry. The applied for mark AUTOSTOCK & Design possesses a fairly low degree of inherent distinctiveness since, when considered in its entirety, it is highly suggestive (and possibly descriptive) of the applicant's business. The applied for mark was not known to any extent at the earliest material date although it acquired a significant reputation afterwards through extensive use, advertising and promotion (the details of which are set out in Mr. Cardin's affidavit). Thus, the inherent distinctiveness of the marks in issue, and their acquired distinctiveness at the material date July 31, 1981, favour the opponent. The length of time that the marks have been in use in Canada also favours the opponent.

The nature of the parties' wares and services and the nature of the parties' trades overlap, as explained by Mr. Leigh in his reply evidence:

Further, as noted by the opponent at paragraph 40 of its written argument, the applicant's own evidence shows that the applicant sells parts and accessories for the opponent's motor vehicles. Both parties supply, either directly or indirectly, parts and accessories to third parties, such as garage operators, engaged in repairing and maintaining motor vehicles. Of course, supplying parts and accessories is the focus of the applicant's business and a necessary adjunct to the opponent's main business which is the manufacture and sale of motor vehicles. I note from paragraphs 4 and 6 of Mr. Leigh's first affidavit that the opponent's sales of parts and accessories amounts to about 13% of its motor vehicle sales.

I find that there is little resemblance between the marks in issue when the marks are considered in their totalities. The overall visual impact of the marks are different. Of course, the opponent is mostly concerned with the three spoke design feature comprising the letter O of the applied for mark. In my view, that design feature depicts an old style car steering wheel, which perception is reinforced by the context in which the design appears namely, as a component of the word AUTOSTOCK. The idea suggested by the applied for mark is that of stock parts for automobiles. In my view, the opponent's mark does not suggest any idea in particular. In this regard, I accept the applicant's submission that the marks in issue do not resemble each other in the ideas they suggest, although I do not accept the applicant's submission that the opponent's mark suggests the idea of a "star." Further, there is no resemblance between the marks in sounding.

As a further surrounding circumstance, Mr. Cardin testifies (at paragraph 35 of his affidavit) that there have been no instances of actual confusion between the marks in issue since the applicant began use of its mark AUTOSTOCK & Design in 1981. The applicant contends that the lack of incidents of actual confusion notwithstanding the extensive, contemporaneous use of both marks for many years is relevant to my

considerations. I agree. In the circumstances of this case, the fact that the opponent has been unable to evidence any incidents of actual confusion is a significant factor favouring the applicant. In this regard, as indicated earlier, I may have regard to circumstances arising after the (earliest) material date to assist me in drawing inferences as to the likelihood of confusion as of the (earliest) material date.

I would also mention that the applicant has introduced into evidence the state of the trade-marks register via the affidavit of Mr. Booth, and examples of marks appearing in business telephone directories of several Canadian cities via the affidavit of Ms. Grégoire. However, neither Mr. Booth's nor Ms. Grégoire's evidence advances the applicant's case.

Considering the foregoing, and keeping in mind in particular the low degree of resemblance between the applied for mark and the opponent's mark, and that the opponent has not evidenced any instances of actual confusion despite extensive, contemporaneous use of the marks in the same channels of trade and in the same geographical area, I find that the applied for mark was not confusing with the opponent's mark at the earliest material date. It follows that the marks in issue would not be confusing at the later material dates.

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

DATED AT HULL, QUEBEC, THIS 28 DAY OF JUNE, 1996.

Myer Herzig,
Member,
Trade-marks Opposition Board