

**IN THE MATTER OF AN OPPOSITION by Union Gas Limited
to application No. 735,835 for the trade-mark ALTERNATIVE
FUEL SYSTEMS INC. & AFS Design filed by Alternative Fuel
Systems Inc.**

On August 26, 1993, the applicant, Alternative Fuel Systems Inc., filed an application to register the trade-mark ALTERNATIVE FUEL SYSTEMS INC. & AFS Design, a representation of which appears below, based upon use of the trade-mark in Canada by the applicant, by itself or through a licensee, or by itself and through a licensee, since at least as early as March 24, 1992 in association with: “*Fuel conversion systems for diesel engines used in city buses, transport trucks, mining and logging vehicles, sanitation vehicles, marine vehicles and railway vehicles*” and in association with services identified as: “*Engineering, consulting, training and installation services for fuel conversion systems for diesel engines*”. The applicant disclaimed the right to the exclusive use of the words ALTERNATIVE, FUEL, and SYSTEMS apart from the trade mark.



The present application was advertised for opposition purposes in the *Trade-marks Journal* of September 4, 1994 and the opponent, Union Gas Limited, filed a statement of opposition on May 15, 1995, a copy of which was forwarded to the applicant on July 6, 1995. The applicant served and filed a counter statement on August 8, 1995 in which it effectively denied the opponent's grounds of opposition. The opponent elected not to file any evidence while the applicant submitted as its evidence the affidavit of R.W. (Rick) Best dated November 7, 1996 and a certified copy of an affidavit of R.W. (Rick) Best dated June 6, 1996 which was filed as evidence in an opposition to registration of the trade-mark TRILLIUM ALTERNATIVE FUELS, application No. 738,860. Mr. Best was cross-examined on his affidavit sworn in the opposition to application No. 735,835, the transcript of the cross-examination and the responses to undertakings given during the cross-examination forming part of the opposition record. The applicant alone filed a written argument and

neither party requested an oral hearing. Further, during the opposition, the applicant amended its application by deleting the wares covered in the application as filed.

The first ground of opposition is based on Section 30 of the *Trade-marks Act*, the opponent alleging that:

- (a) Alternative Fuels Systems Inc. is a trade-name, and not a trade-mark. As a result, the subject application improperly seeks to register (as a single trade-mark) a trade-mark and a trade-name;
- (b) In the alternative, if Alternative Fuels Systems Inc. is a trade-mark, then the application is improper as it seeks to register two trade-marks in one trade-mark application;
- (c) The applicant has not used the subject goods and services in Canada since the date alleged in the trade-mark application.

While the legal burden is upon the applicant to show that its application complies with Section 30 of the *Trade-marks Act*, there is an initial evidential burden on the opponent to establish the facts relied upon by it in support of its Section 30 grounds [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330; and *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R.(3d) 293]. In this regard, the opponent may rely upon the applicant's affidavit evidence and the transcript of the Best cross-examination to meet its evidential burden in relation to this ground. In such a case, the opponent must show that the applicant's evidence is 'clearly' inconsistent with the applicant's claims set forth in its application. The material time for considering the circumstances respecting the issues of non-compliance with Section 30 of the *Act* is the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R.(3d) 469, at p. 475].

No evidence has been furnished by the opponent in support of its Section 30 ground and no arguments have been presented by the opponent with respect to these grounds. Further, the applicant's evidence is not inconsistent with its claim that it has used the mark ALTERNATIVE FUEL SYSTEMS INC. & AFS Design as a trade-mark in Canada since at least as early as March 24, 1992 in association with: "*Engineering, consulting, training and installation services for fuel conversion systems for diesel engines*". Furthermore, the fact that Alternative Fuels Systems Inc. is also a trade-name does not preclude it from functioning as an element of the trade-mark sought

to be registered. Likewise, the fact that separate elements of the applicant's trade-mark also function as independent trade-marks does not prevent the combination of these elements from functioning as a separate trade-mark. I have therefore rejected the Section 30 ground.

The second ground is that the applicant's trade-mark ALTERNATIVE FUEL SYSTEMS INC. & AFS Design is not distinctive as the individual words ALTERNATIVE, FUEL and SYSTEMS are descriptive and generic, and therefore the applicant's trade-mark does not actually distinguish the wares and services of the applicant from the wares and services of others. As the applicant has deleted the wares covered in its application as filed, the only issue is whether the applicant's trade-mark is distinctive as applied to the services set forth in the applicant's amended application. The material date for considering this ground is the date of opposition [see *Re Andres Wines Ltd. and E.&J. Gallo Winery*, 25 C.P.R. (2d) 126 (F.C.A.), at p.130; *Park Avenue Furniture Corp. v. Wickes/ Simmons Bedding Ltd.*, 37 C.P.R.(3d) 412 (F.C.A.), at p. 424; and *Molson Breweries, a Partnership v. Labatt Brewing Company Limited*, (Court No. T-162-96, dated June 25, 1998, yet unreported, at p. 25)]. Further, while the legal burden is upon the applicant to establish that its trade-mark is distinctive, there is an initial evidential burden on the opponent to substantiate the allegations of fact relied upon by it in support of its non-distinctiveness ground.

As noted above, no evidence or submissions have been presented by the opponent in support of this ground. Further, while the applicant has disclaimed the right to the exclusive use of the words ALTERNATIVE, FUEL, and SYSTEMS apart from its trade mark and such a disclaimer supports the argument that these words are descriptive or are otherwise not distinctive as applied to the applicant's services, the trade-mark ALTERNATIVE FUEL SYSTEMS INC. & AFS Design is dominated visually by the initials AFS and the accompanying design element. I am satisfied therefore that the opponent has not met its evidential burden in relation to the final ground. Thus, the non-distinctiveness ground is unsuccessful.

In view of the above, and having been delegated by the Registrar of Trade-marks pursuant to Subsection 63(3) of the *Trade-marks Act*, I reject the opponent's opposition pursuant to Subsection 38(8) of the *Trade-marks Act*.

DATED AT HULL, QUEBEC THIS 3rd DAY OF MARCH, 1999.

G.W.Partington,
Chairperson,
Trade-marks Opposition Board.