

**IN THE MATTER OF AN
OPPOSITION by Jack W. Chow
Realty Ltd to Application No 1107394
for the Trade-mark
DIRECTINSURE.NET filed by
Millennium Insurance Corporation**

I The File

On June 22, 2001, Millennium Insurance Corporation, (the «Applicant»), filed an application, based on use since September 1, 2000, to register the trade-mark DIRECTINSURE.NET (the “Mark”) in association with providing general insurance underwriting services of all types and administering same as well the services of providing warranty and extended warranty contracts for new and used vehicles of all types (the “Services”).

The application was advertised on December 12, 2002, in the Trade-marks Journal for opposition purposes. Jack W. Chow Realty Ltd. (the “Opponent”) filed on January 24 2003, a statement of opposition raising the following grounds of opposition:

- 1) Contrary to Sections 38(2)(a) and 30(b) of the Trade-Marks Act (the “Act”), at the date of filing of the application, the Applicant had not used the Mark as alleged, or at all, or had subsequently abandoned the Mark;
- 2) Contrary to Sections 38(2)(a) and 30(i) of the Act, at the date of filing of the application, the Applicant could not properly have been satisfied that it was entitled to use the Mark with the Services;
- 3) The Mark is not registrable pursuant to Sections 38(2)(b) and 12(1)(b) of the Act because the word directinsure.net whether depicted, written or sounded, is either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the Services;

- 4) The Mark is not registrable pursuant to Sections 38(2)(b) and 12(1)(d) of the Act because it is confusing with the Opponent's registered trade-mark RAPID DIRECT INSURE & Design, as illustrated hereinafter, registration number TMA483508 in association with, inter alia, insurance services



- 5) The Applicant is not the person entitled to registration of the Mark in view of Sections 38(2)(c), 16(1)(a) and 16(5) of the Act, as at the date of filing of the application in accordance with Section 30, the Mark was confusing with the trade-marks RAPID DIRECT INSURE & Design and RAPID DIRECT INSURE previously used or made known by the Opponent or its predecessor-in-title in Canada in association with insurance services, which were not abandoned at the advertisement date of the Applicant's application;
- 6) The Mark is not distinctive, having regard to the provisions of Sections 38(2)(d) and 2 of the Act, because it is not capable of distinguishing the Applicant's Services from the services of others, particularly the insurance services sold by the Opponent under the trade-marks RAPID DIRECT INSURE & Design and RAPID DIRECT INSURE, nor is it adapted to so distinguish them.

On March 24, 2003 the Applicant filed a counterstatement denying each and every ground of opposition.

Only the Opponent chose to file evidence and written submissions. Neither party requested an oral hearing.

II The Opponent's evidence

The Opponent's evidence consists of the affidavit of Mr. Rod Chow together with exhibits A to I. I shall summarize what I consider the most relevant parts for the purpose of my decision.

He has been the Opponent's Vice President since 1992 and employed by the Opponent since 1976. He did file a photocopy of an extract of the Strategis database to establish that the Opponent is the owner of the trade-mark RAPID DIRECT INSURE & Design, registration number TMA483508 in association with insurance services; financial management services; insurance and investment brokerage; investment consultation; investment management; investing the funds of others; financial planning; and consultation and brokerage for financial products. The extract reveals that the corresponding application was filed on June 16, 1995 and registration was obtained on October 1st, 1997 subsequent to the filing on August 29, 1997 of a declaration of use.

He has been also the Vice President of Jack W. Chow Insurance Services Ltd., a related company of the Opponent. The same parties wholly own both of these companies. The Opponent has licensed Jack W. Chow Insurance Services Ltd to use the Mark. Thereafter, the affiant provides some general information on the history of the Opponent and Jack W. Chow Insurance Services Ltd and the nature of their respective businesses. Samples of various advertising material have been attached to his affidavit to illustrate the use of the Opponent's trade-marks RAPID DIRECT INSURE & Design and RAPID DIRECT INSURE in association with insurance and financial planning services. Photographs of the exterior of the building where the Opponent and its licensee carry on business have been filed to illustrate that the Opponent's trade-mark RAPID DIRECT INSURE is prominently in display as it appears on at least eleven different locations on such building.

The affiant alleges that the Opponent is also the owner of the domain name directinsure.ca, but such fact has not been pleaded in its statement of opposition and shall be disregarded.

III The law

The legal onus is upon the Applicant to show that its application complies with the provisions of Section 30 of the Act, but there is however an initial evidential burden on the Opponent to establish the facts relied upon by it in support of each ground of opposition. Once this initial burden is met, the Applicant still has to prove that the particular grounds of opposition should not prevent the registration of the Mark [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].

The relevant date to analyse the various grounds of opposition raised in the statement of opposition varies in function of the ground of opposition pleaded. As for non-compliance to the requirements of Section 30, the filing date of the application is the critical date. [See *Dic Dac Holdings (Canada) Ltd v. Yao Tsai Co. (1999)*, 1 C.P.R. (4th) 263] The issue of registrability must be assessed as of the date of the Registrar's decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. (1991)*, 37 C.P.R. (3d) 413 at 424 (F.C.A)] while entitlement under Section 16(1) will be considered as of the alleged date of first use claimed in the application [see Section 16(1) of the Act]. The recent jurisprudence has established that the descriptiveness of a trade-mark must be analyzed as of the filing date of the application [See *Shell Canada Limited v. P.T. Sari Incofood Corporation*, 2005 FC 1040 and *Fiesta Barbeques Limited v. General Housewares Corporation (2003)*, 28 C.P.R. (4th) 60 (F.C.T.D.)] Finally it is generally accepted that the distinctiveness of the Mark must be assessed as of the filing date of the statement of opposition. [See *Andres Wines Ltd. and E&J Gallo Winery (1975)*, 25 C.P.R. (2d) 126 at 130 (F.C.A.), *Park Avenue Furniture Corporation, op.cit* and *Metro-Goldwyn-Meyer Inc v. Stargate Connections Inc. [2004] F.C. 1185]*

IV Analysis of the grounds of opposition

The Opponent has not filed any evidence to support its first two grounds of opposition and as such they are dismissed for failure to meet its initial burden of proof.

The same reasoning applies to the third ground of opposition. However I can refer to dictionaries for the meaning of words. [See *Molson Breweries, a partnership v. John Labatt Ltd*, 3 C.P.R.(4th) 543 and *Insurance Co. of Prince Edward Island v. Prince Edward Island Insurance Co. (1999)* 2 C.P.R.(4th) 103] The Mark is a coined word and therefore does not exist in dictionaries. It comprises the words “direct”, “insure” and “net”. The juxtaposition of those words does not create a coined word that would be descriptive or deceptively misdescriptive in the English language of the character or quality of the services. It could be considered as suggestive of insurance services provided directly on the Internet. Therefore, I also dismiss the third ground of opposition.

All final three grounds of opposition raise the issue of the likelihood of confusion with the Opponent’s trade-marks. I shall first consider the fourth ground of opposition, and thus do an analysis of the likelihood of confusion between the Opponent’s registered trade-mark RAPID DIRECT INSURE & Design and the Mark.

In order to determine whether the Mark is confusing with the Opponent’s Registered Trade-mark, Section 6(5) of the Act directs the Registrar to have regards to all of the surrounding circumstances, including:

- i) The inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
- ii) The length of time the trade-marks or trade-names have been in use;
- iii) The nature of the wares, services, or business;
- iv) The nature of the trade; and
- v) The degree of resemblance between the trade-marks or trade-names in appearance, or sound or any ideas suggested by them.

It has been established that the criteria listed in section 6(5) of the Act are not exhaustive and it is not necessary to give each one of them equal weight [See *Clorox Co. v. Sears Canada Inc. (1992)*, 41 C.P.R.(3d) 483 (F.C.T.D.) and *Gainers Inc. v. Marchildon (1996)*, 66 C.P.R.(3d) 308 (F.C.T.D.)].

In considering the similarity between trade-marks, it has been held repeatedly that it is not the proper approach to set the marks side by side and to critically analyze them for points of similarities and differences, but rather to determine the matter in a general way as a question of first impression. Mr. Justice Cattanach described the test of confusion in the following words in *Canadian Schenley Distilleries Ltd. v. Canada's Manitoba Distillery Ltd. (1975)*, 25 C.P.R. (2d) 1:

«To determine whether two trade marks are confusing one with the other it is the persons who are likely to buy the wares who are to be considered, that is those persons who normally comprise the market, the ultimate consumer. That does not mean a rash, careless or unobservant purchaser on the one hand, nor on the other does it mean a person of higher education, one possessed of expert qualifications. It is the probability of the average person endowed with average intelligence acting with ordinary caution being deceived that is the criterion and to measure that probability of confusion the Registrar of Trade Marks or the Judge must assess the normal attitudes and reactions of such persons. not for the purpose of determining similarities and differences but rather to assess the attitude of the average reasonable purchaser of the wares as a matter of first impression.»

Mr Justice Décary of the Federal Court of Appeal has summarized the test of confusion in *Christian Dior S.A., supra*, in the following terms:

“A review of some of the leading cases also establishes some practical guidelines. For example, the Court is to put itself in the position of an average person who is familiar with the earlier mark but has an imperfect recollection of it; the question is whether the ordinary consumer will, on seeing the later mark, infer as a matter of first impression that the wares with which the second mark is used are in some way associated with the wares of the earlier. With respect to the degree of resemblance in appearance, sound or ideas under subparagraph 6(5)(e), the trade-marks at issue must be considered in their totality. As well, since it is the combination of elements that constitutes a trade-mark and gives distinctiveness to it, 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 when applying the test for confusion. In addition, trade-marks must not be considered in isolation but in association with the wares or services with which they are used.

When dealing with famous or well-known marks, it may be more difficult to demonstrate that there is no likelihood of confusion, especially if the nature of the wares are similar. Lastly, the enumerated factors in subsection 6(5) need not be attributed equal weight. Each particular case of confusion might justify greater emphasis being given to one criterion than to others.”

I shall therefore apply these principles to the evidence summarized hereinabove.

i inherent distinctiveness and the extent to which they have become known

The Mark is a coined word and as such has some inherent distinctiveness. The Opponent’s registered trade-mark is composed of three common English words, that are suggestive of the character or quality of the Opponent’s services provided in association with such trade-mark. The design portion however adds some inherent distinctiveness to such trade-mark.

The Opponent has used its registered trade-mark since at least 1996, while there is no evidence of use of the Mark by the Applicant. Therefore the Opponent’s registered trade-mark is more known in Canada than the mark. This circumstance favours the Opponent.

ii the length of time the trade-marks have been in use

For the reasons mentioned in the preceding paragraph, this circumstance does also favour the Opponent.

iii the nature of the services

There is an overlap between the services covered by the Opponent’s registration for its trade-mark RAPID DIRECT INSURE & Design and the services of providing general insurance underwriting services of all types and administering same. This factor also favours the Opponent.

iv The nature of the trade

It is the Applicant's statement of wares/services and the Opponent's statement of wares/services in its registration that govern the present analysis. [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.); *Miss Universe Inc. v. Dale Bohna (1994)*, 58 C.P.R. (3d) 381 at 390-392 (F.C.A.)] The Applicant has not filed any evidence to show that the channels of trade used or to be used by it would be different. The description of the Services in the application leads me to conclude that there is a potential overlap between the parties' respective channels of trade.

v The degree of resemblance between the trade-marks in appearance, or sound or any ideas suggested by them.

In the present case the Mark incorporates two important features of the Opponent's registered trade-mark namely the words "direct" and "insure", so that the trade-marks in issue are similar phonetically and in the ideas suggested by them.

V Conclusion

The analysis of the surrounding circumstances clearly favours the Opponent and as such I maintain the fourth ground of opposition. My conclusion would be the same with respect to the fifth and sixth ground of opposition, as stated above, the main issue with respect to those grounds would also be the likelihood of confusion between the Mark and the Opponent's trade-marks. The difference in the relevant dates between ground four on one hand, and grounds five and six on the other hand would not be a determining factor in my analysis of those latter grounds of opposition.

The Applicant has not discharged its legal burden to prove, on a balance of probabilities, that the Mark is registrable, that it is the person entitled to the registration of the Mark, and that the Mark is distinctive.

Therefore, having been delegated authority by the Registrar of Trade-marks by virtue of Section 63(3) of the Act, I refuse the Applicant's application for the registration of the Mark in association with the Services, the whole pursuant to Subsection 38(8) of the Act.

DATED, IN BOUCHERVILLE, QUEBEC, THIS 24th DAY OF AUGUST 2005.

Jean Carrière,
Member of the Trade-marks Opposition Board