

**IN THE MATTER OF AN OPPOSITION
by 1324555 Ontario Inc. to application No.
898,553 for the trade-mark NORTHLAND
filed by Northland Products Company**

On December 4, 1999, the applicant, Northland Products Company, filed an application to register the trade-mark NORTHLAND for the following wares:

- (1) Engine anti-freeze and coolants; lubricating oils, engine oils, hydraulic oils, transmission lubricants, and lubricating greases.
- (2) Engine anti-freeze and coolants.
- (3) Lubricating oils, engine oils, hydraulic oils, transmission lubricants, and lubricating greases.

The application is based on proposed use in Canada for the wares noted as (1), on use and registration (No. 1754723) in the United States for the wares marked (2) and on use and registration (No. 1750966) in the United States for the wares marked (3). The application was advertised for opposition purposes on August 1, 2001.

The opponent, 1324555 Ontario Inc. ("555"), filed a statement of opposition on September 4, 2001, a copy of which was forwarded to the applicant on September 18, 2001. The first ground of opposition is that the applicant's application does not conform to the requirements of Section 30(i) of the Trade-marks Act because the applicant could not have been satisfied that it was entitled to use the applied for trade-mark in Canada. The second ground is that the applicant's application does not conform to the requirements of Section 30(e) of the Act because it did not intend to use the applied for mark in Canada with the applied for wares.

The third ground of opposition is that the applicant is not the person entitled to registration of the applied for mark pursuant to Sections 16(2) and 16(3) of the Act because, as of the applicant's filing date, the applied for mark was confusing with the trade-marks NORTHLAND, NORTHLAND & Design, NORTHLAND SALES and NORTHLAND SALES & Design previously used in Canada by the opponent's predecessor-in-title 841712 Ontario Ltd. ("712") with various automotive, mechanical, machinery and household products including lubricants, sealants, protectants, and degreasing and cleaning agents and with the operation of a business dealing in such wares.

The fourth ground is that the applicant is not the person entitled to registration pursuant to Sections 16(2) and 16(3) of the Act in view of the prior use of the trade-name Northland Sales in Canada by the opponent's predecessor-in-title 712. The fifth ground is that the applied for trade-mark is not distinctive because it is confusing with the trade-marks and trade-name used by the opponent 555.

The applicant filed and served a counter statement. As its evidence, the opponent submitted an affidavit of Lynda Palmer and two affidavits of Eric T. Craig. Mr. Craig was cross-examined on this first affidavit and the transcript of that cross-examination forms part of the record of this proceeding. As its evidence, the applicant submitted the affidavits of Eileen Castellano and Claire Gordon. The opponent subsequently requested and was granted leave pursuant to Rule 44(1) of the Trade-marks Regulations to file a third affidavit of Eric

T. Craig. Mr. Craig was cross-examined on this third affidavit and the transcript of that cross-examination together with the replies to undertakings given form part of the record of this proceeding. Both parties filed a written argument and an oral hearing was conducted at which both parties were represented.

THE OPPONENT'S EVIDENCE

In her affidavit, Ms. Palmer provides the results of a state of the trade-marks register search she conducted for marks of record comprising the word **NORTHLAND or the words **NORTH** and **LAND** in International classes 1, 4, 7 and 12. Her search revealed only five registrations.**

In his first affidavit, Mr. Craig identifies himself as the President of 555. To his customers, he is known as the National Sales Manager for a company called Northland or Northland Sales. In 1989, Mr. Craig started a business distributing across Canada specialty oils, lubricants, penetrants, automotive and motorcycle batteries, battery testing systems and battery filling equipment. He incorporated the business on May 30, 1989 as 712 and it was identified by the business name Northland Sales.

Mr. Craig states that during the period 1999 through 2001, he restructured the way in which his Northland business was carried on. He incorporated 555 on July 6, 1999 to import goods from suppliers in the United States and to distribute and sell products throughout

Canada. He refers to the business carried on since 1989 as the Northland Business.

Since 1989, the Northland Business distributed and sold various products in Canada including various oils, lubricants, sealants, motor oil additives, adhesives, rust and corrosion inhibitors and the like. These products were invariably labelled with the trade-mark NORTHLAND SALES & Design (shown below) although it appears that Northland Sales was usually identified as a distributor rather than the manufacturer of the product.



Mr. Craig describes the various distribution channels through which his company operates including warehouse distributors, mass merchandisers, hardware stores, dealerships in the trucking industry, farm equipment dealers and industrial customers. His company's customers include Canadian Tire, Wal-Mart, Home Hardware, Rona, Reno-Depot, Mack Trucks, Acklands-Grainger, John Deere and Case New Holland.

Appended as Exhibit D to the Craig affidavit are photocopies of invoices evidencing the sale of various products under the trade-mark and trade-name NORTHLAND SALES by 712 up to the beginning of 2000 and by 555 from that point on. Total sales for the period 1989 to 2001 were in excess of \$12.5 million. Advertising expenditures for that same period totalled

almost \$1 million. Advertising was conducted using flyers, promotional items, magazine ads and by attending trade shows.

The applicant contends that the first Craig affidavit fails to establish prior use of the opponent's trade-marks and trade-name by the opponent's predecessor-in-title 712. The applicant further contends that the Craig affidavit does not establish that 712 is the predecessor-in-title to 555 and that therefore the opponent cannot rely on 712's use of the NORTHLAND trade-marks and trade-names which pre-dates the applicant's filing date. The applicant also notes the existence of a third numbered company (1439174 Ontario Ltd.) having the same address as the opponent. That company appears in several invoices (see Part 13 of Exhibit D to the first Craig affidavit and Exhibit A to the answers from the cross-examination of Mr. Craig on his third affidavit) although all of those invoices are dated in 2002 which is after the latest material time in this opposition.

Although the first Craig affidavit is not as informative as one might wish, a fair reading of that affidavit indicates that Mr. Craig was the guiding force behind both 712 and 555 and that the Northland Business has been conducted on a consistent basis since 1989. It is apparent that there was a restructuring in late 1999 and early 2000 that resulted in the business being transferred from 712 to 555 and it is reasonable to infer, on a balance of probabilities, that 555 is the successor-in-title to the NORTHLAND trade-marks and trade-name. If the applicant had serious concerns about the opponent's chain of title, it could easily

have asked for clarification during the two cross-examinations of Mr. Craig.

During the cross-examination of Mr. Craig on his first affidavit, he was asked if he was familiar with a series of businesses which incorporate the word Northland in their names. Many of the businesses were identified by Mr. Craig as customers of the opponent or he otherwise acknowledged that he was familiar with them. However, none of those businesses appears to be engaged in the same areas of trade as the applicant and the opponent.

Mr. Craig's second affidavit serves to introduce into evidence a "notarial copy" of an assignment dated May 30, 2002 of the trade-marks NORTHLAND SALES & Design (application No. 1,130,482) and NORTHLAND SEAL TITE (application No. 1,132,276) from Craig Holdings Inc. to 555. No explanation is given as to the status of Craig Holdings Inc. or why this document was submitted in evidence.

Mr. Craig's third affidavit seeks to clarify statements he made during the first cross-examination. At that time, Mr. Craig was unable to state what portion of his company's sales were made outside of Canada. In his third affidavit, he states that his best estimate is that less than one per cent of his company's total sales were made outside the country. Replies to undertakings given during the cross-examination of Mr. Craig on his third affidavit reveal that, prior to 2002, there were no foreign sales.

THE APPLICANT'S EVIDENCE

The Castellano affidavit introduces into evidence the results of a trade-marks register search conducted by Ms. Castellano for **NORTHLAND** or **NORTH LAND** marks for lubricants, automotive products or automobile transportation. Her search only revealed two registrations, one for bicycles and another for travel trailers and mobile homes.

The Gordon affidavit evidences the results of various searches conducted by Ms. Gordon for business names incorporating the word **NORTHLAND** or the words **NORTH** and **LAND**. A YellowPages.ca Internet search revealed 29 such entries although most appear to be for dealers in motor vehicles or motor vehicle parts. A Canada411 Internet search revealed hundreds of entries but none apparently in the area of business populated by the applicant and the opponent. A NUANS corporate name search revealed more than a thousand entries but with no indication of the businesses carried on, if any. Finally, Ms. Gordon evidences eleven different specific business names incorporating the word **NORTHLAND** but they all appear to be for vehicles or vehicle parts.

THE GROUNDS OF OPPOSITION

The first two grounds are not proper grounds of opposition. The opponent has simply reproduced the wording of the two subsections of the Act without any supporting allegations of fact. Thus, the first two grounds of opposition are unsuccessful.

As for the third ground of opposition, the opponent has evidenced use of its trade-mark NORTHLAND SALES and the design version of that mark by its predecessor-in-title 712 prior to the applicant's filing date. It has also evidenced non-abandonment of those marks as of the applicant's advertisement date.

In view of the above, the third ground remains to be decided on the issue of confusion between the applicant's mark and the opponent's marks. As set out in Sections 16(2) and 16(3) of the Act, the material time for considering the circumstances respecting this issue is as of the applicant's filing date. 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 marks of both parties are inherently distinctive since they do not have any clearly descriptive meaning in relation to the respective wares. Since both the marks are somewhat suggestive of Canada, neither can be said to be an inherently strong mark. The large number of business names evidenced by the applicant seems to underscore this observation.

There being no evidence regarding the applicant's mark, I must conclude that it had not become known at all in Canada as of the applicant's filing date. On the other hand, the

opponent's mark had been widely used in Canada as of that time by the opponent's predecessor-in-title 712 for a wide variety of wares. For the most part, the use of the mark NORTHLAND SALES had been as a distributor's mark which had usually been given less prominence on the labels of the goods sold. Nevertheless, some of the wares had been sold directly by 712. Furthermore, 712 had advertised the NORTHLAND SALES trade-mark and trade-name. Thus, I can conclude that the mark NORTHLAND SALES had become known to some extent in Canada as of the material time.

The length of time the marks had been in use favors the opponent. As for Sections 6(5)(c) and 6(5)(d) of the Act, there is a significant overlap in the wares sold by the opponent's predecessor-in-title and those set out in the applicant's statement of wares. 712 sold such items as lubricants, sealants, protectants and rust inhibitors which are similar to the oils, lubricants and greases in the applicant's application. Presumably the channels of trade of the parties would, or could, have overlapped, particularly given the various channels of distribution through which 712 sold or distributed its products.

As for Section 6(5)(e) of the Act, there is a high degree of resemblance in all respects between the marks at issue in view of the common use of the word NORTHLAND as the sole or first component of each mark.

The applicant submitted that the significance of any resemblance between the marks

is mitigated by the state of the register evidence introduced by means of the Castellano affidavit. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace: see the opposition decision in Ports International Ltd. v. Dunlop Ltd. (1992), 41 C.P.R.(3d) 432 and the decision in Del Monte Corporation v. Welch Foods Inc. (1992), 44 C.P.R.(3d) 205 (F.C.T.D.). Also of note is the decision in Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd. (1992), 43 C.P.R.(3d) 349 (F.C.A.) which is support for the proposition that inferences about the state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located.

As noted, Ms. Castellano was only able to locate two third party registrations for NORTHLAND trade-marks and both were for wares unrelated to those at issue in this case. Thus, the state of the register evidence is of no effect.

There is significant evidence pointing to use of the word NORTHLAND as a component of many business names throughout Canada. Mr. Craig himself identified a couple of dozen such businesses during his first cross-examination. However, there is no evidence that any of these third parties is engaged in the same type of business as the applicant and the opponent. Thus, at most, this third party evidence serves only to underscore the inherent weakness of the word NORTHLAND in general but does little to restrict the protection owing to the opponent's mark within its trade.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the reputation associated with the mark NORTHLAND SALES and the resemblance between the marks, wares and trades of the parties, I find that the applicant has failed to satisfy the onus on it to show that its proposed mark is not confusing with the previously used mark NORTHLAND SALES marks as of the applicant's filing date. Thus, the third ground of opposition is successful.

As for the fourth ground of opposition, the opponent has evidenced prior use of its trade-name Northland Sales by its predecessor-in-title 712 and non-abandonment of that name as of the applicant's advertisement date. Thus, the fourth ground remains to be decided on the issue of confusion pursuant to the test set out in Section 6(3) of the Act. For the most part, my conclusions respecting the third ground are also applicable to the fourth ground which is therefore also successful.

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 wares 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. - September 4, 2001): 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 essentially turns on the issue of confusion between the applicant's mark NORTHLAND and the opponent's mark and name NORTHLAND SALES. If anything, the opponent's case is stronger respecting this ground given the later material time and the greater reputation associated with the opponent's mark as of that date. Furthermore, any use of the opponent's mark for the period immediately preceding the filing of the opposition was by the opponent thereby eliminating any uncertainty that may have arisen regarding 712's status as the opponent's predecessor-in-title. Thus, the marks were confusing as of the filing of the opposition and the fifth ground is therefore also successful.

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I refuse the applicant's application.

DATED AT GATINEAU, QUEBEC, THIS 8th DAY OF JANUARY, 2007.

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