

**IN THE MATTER OF AN OPPOSITION by
Credit Union Central of Canada to application No. 1,020,666
for the trade-mark COMMUNITY CREDIT UNION
filed by Community Credit Union Ltd.**

On June 29, 1999, the applicant, Community Credit Union Ltd., filed an application to register the trade-mark COMMUNITY CREDIT UNION, which was assigned file number 1,020,666. The application is based upon use of the trade-mark in Canada in association with the operation of a credit union since as early as November 1986 and the applicant has disclaimed the right to the exclusive use of the words CREDIT UNION apart from the trade-mark.

The application was advertised for opposition purposes in the Trade-marks Journal of June 7, 2000. On December 12, 2000, the opponent, Credit Union Central of Canada, filed a statement of opposition against the application. On August 8, 2001, the opponent requested leave to amend its statement of opposition and such leave was granted by letter dated November 21, 2001.

On January 31, 2001, the applicant filed and served a counter statement. On February 1, 2002, it requested leave to amend its counter statement in response to the amendment of the statement of opposition. Leave was granted by letter dated April 16, 2002.

The grounds of opposition are summarized below:

1. The application does not comply with the requirements of subsection 30(i) of the *Trade-marks Act* because the applicant could not state it was satisfied it was entitled to use its claimed trade-mark in Canada in association with the services described in the application in view of the clear descriptiveness and non-distinctiveness of the words COMMUNITY CREDIT UNION, of which the

applicant must have had knowledge.

2. The application does not comply with the requirements of subsection 30(b) of the Act in that the applicant has not used the claimed trade-mark in Canada since the date claimed.
3. The alleged trade-mark is not registrable within the meaning of paragraphs 12(1)(b) and (c) of the Act because the words COMMUNITY CREDIT UNION are clearly descriptive of the services recited in the application. In addition, the words COMMUNITY CREDIT UNION constitute the name in the English language of the services in connection with which they are claimed to have been used. Indeed, in its Canadian trade-mark registration No. TMA481,487 for COMMUNITY CREDIT UNION & Design, the applicant disclaimed the right to the exclusive use of the words COMMUNITY CREDIT UNION apart from the trade-mark.
4. The alleged trade-mark is not distinctive within the meaning of section 2. Without limitation, the alleged trade-mark COMMUNITY CREDIT UNION neither distinguishes, nor is it adapted to distinguish, the services covered by application No. 1,020,666 from the goods and services provided by others in association with their trade-marks and trade names which incorporate the words “COMMUNITY” and “CREDIT UNION”.

The applicant’s counter statement denies the opponent’s allegations.

Rule 41 Evidence

The opponent’s rule 41 evidence consists of the following:

- Certified copy of the file history for trade-mark registration No. TMA322,486 for JET POWER COMMUNITY CREDIT UNION & Design;
- Certified copy of trade-mark registration No. TMA482,487 for COMMUNITY CREDIT UNION & Design;
- Affidavit of Barbara Gallagher;
- Affidavit of Nelson Chan;
- Affidavit of John Ellis.

Affidavit of John Ellis

Mr. Ellis is the opponent's Director, Standards & Privacy Officer. He has been employed in the credit union industry in Ontario since 1973.

According to Mr. Ellis, the credit union system in Canada is organized into three tiers: local, provincial and national. The opponent is the "national financial intermediary and trade association for the credit union system in Canada" and it supports credit unions in a number of areas, such as software design.

Mr. Ellis provides a list of approximately 40 credit unions that are members of the opponent and which have used the words COMMUNITY CREDIT UNION since before the filing of this opposition. These include I.W.A. and Community Credit Union, Maple Ridge Community Credit Union, Dartmouth Community Credit Union Limited, ASCU Community Credit Union Ltd., Auto Workers Community Credit Union Ltd., Brant Community Credit Union, etc.

Affidavit of Nelson Chan

Mr. Chan, a summer law student, conducted investigations into the use of the words COMMUNITY CREDIT UNION in association with the credit union business in the Greater Toronto area in August 2001. He provides copies of printed materials and photographs concerning the use by North York Community Credit Union Limited, Victory Community Credit Union Limited and Fort York Community Credit Union Limited.

Affidavit of Barbara Gallagher

Ms. Gallagher, a law clerk, conducted corporate searches, telephone directory searches and Internet searches directed to the use of the words COMMUNITY CREDIT UNION. She located more than 50 Canadian corporate/business names that include the word COMMUNITY CREDIT UNION and which were registered before the applicant's claimed date of first use. Examples include Alliston Community Credit Union Limited, Apple Community Credit Union Limited, ASCU Community Credit Union Limited, etc. She also provides copies of Canadian telephone listings for the years 1980-1986 for more than ten credit unions using the words COMMUNITY CREDIT UNION as part of their names, namely Kakabeka Community Credit Union Ltd, Lakehead Community Credit Union, Thunder Bay Community Credit Union Inc, Carleton Community Credit Union, Ottawa Community Credit Union, Kingston Community Credit Union Limited, York Community Credit Union Limited, Duca Community Credit Union Limited, East York Community Credit Union Limited, Fort York Community Credit Union Limited, and North York Community Credit Union.

I have disregarded paragraph 5 of Ms. Gallagher's affidavit. It is clearly inadmissible hearsay, as it sets out information that Ms. Gallagher obtained third-hand.

Certified copy of the file history for trade-mark registration No. TMA322,486

This registration issued in 1987 for JET POWER COMMUNITY CREDIT UNION & Design for services in the operation of a credit union. It disclaims the right to the exclusive use of the words COMMUNITY CREDIT UNION apart from the trade-mark.

Certified copy of trade-mark registration No. TMA482,487

This registration issued in 1997 for COMMUNITY CREDIT UNION & Design for the operation of a credit union in the name of the applicant. It disclaims the right to the exclusive use of the words COMMUNITY CREDIT UNION apart from the trade-mark.

Rule 42 Evidence

The applicant's rule 42 evidence consists of the following:

- **Affidavit of Murray Haubrich;**
- **Certified copy of Trade-marks Office file No. 877,513 for COMMUNITY BANK;**
- **Certified copy of Trade-marks Office file No. 877,512 for COMMUNITY BANKS.**

Affidavit of Murray Haubrich

Mr. Haubrich is the applicant's Executive Vice President. I summarize below those portions of his affidavit that I consider to be the most pertinent.

Mr. Haubrich sets out the corporate history of the applicant as follows. In 1986, the applicant was called Medicine Hat Savings & Credit Union Limited. (page 2, Haubrich affidavit, as corrected by page 4 of the transcript of his cross-examination) At that time, it decided to create a new image. It accordingly chose the trade-mark COMMUNITY CREDIT UNION, which it began to use in "the late fall of 1986". It did not change its corporate name to Community Credit Union Ltd. until February 11, 1994 (see Haubrich's exhibit "F"). As of November 1, 2000, Community Credit Union Ltd. amalgamated with three other credit union corporations to become Community Credit Union Ltd.

Mr. Haubrich attests that at the time that the applicant chose the trade-mark COMMUNITY CREDIT UNION, he was not aware that any other company operating in Canada used the words “community credit union”.

At paragraph 9 of his affidavit, Mr. Haubrich states, “As far as I can recall, the Applicant used both forms of the trade-mark; namely the words: THE COMMUNITY CREDIT UNION and COMMUNITY CREDIT UNION, from the late fall of 1986.” In paragraph 10, he sets out reasons why he believes that the applicant used the trade-mark COMMUNITY CREDIT UNION starting in the late fall of 1986.

Mr. Haubrich provides a copy of Medicine Hat Savings & Credit Union Ltd.’s 1986 Annual Report, which displays ‘The Community Credit Union’ on the first inside page. He also provides a 1987 Annual Report which he says “references use of the trade-mark COMMUNITY CREDIT UNION including there having been new branch signs erected, and the Annual Report itself displaying the trade-mark COMMUNITY CREDIT UNION.” As Exhibit “D”, he provides “two documents showing how the Applicant used the trade-mark COMMUNITY CREDIT UNION in the period of time after it started using that trade-mark in about November 1986”. (During the cross-examination process, the applicant advised that it was unable to provide the dates as to when these materials were produced or distributed.) Mr. Haubrich states that the applicant extensively promoted its services from 1986 displaying the mark COMMUNITY CREDIT UNION through various means including signage, letterhead and business cards, but he has not provided any exhibits showing these items.

Mr. Haubrich attests, at paragraph 15, that the phrase “community credit union” is not “in Alberta nor in any other part of the Province or to my knowledge in any other part of Canada, in common (or any) usage to describe a particular *kind* of credit union.” He is “not aware of any instance of an employee of the Applicant being asked (or having it somehow suggested that) the Applicant was associated in some way with another credit union owing to the word “community” being common to both.” (paragraph 23)

Mr. Haubrich provides copies of dictionary definitions for the word “community”. He attests that the applicant does not serve a community in Alberta but serves many clients across a large part of the province. He expresses the view that where a credit union begins its name with a geographical indicator followed by the word “community”, the word “community” would be seen as descriptive. However, it is his view that the word “community” is ambiguous when not modified by any word placed ahead of it.

Certified copies of Trade-marks Office files Nos. 877,513 and 877,512 for COMMUNITY BANK and COMMUNITY BANKS

These pending proposed-use trade-mark applications, which are owned by the opponent, disclaim the right to the exclusive use of the word BANK(S) apart from the trade-marks.

Cross-examination of Mr. Haubrich

The opponent obtained an order for the cross-examination of Mr. Haubrich and the transcript of the cross-examination, as well as answers given to undertakings, form part of the record. I will

not summarize this evidence but will instead refer to pertinent portions as they relate to the issues in my discussion below.

Applying the Law to the Facts

Written arguments were filed by both parties and an oral hearing was held at which both parties were represented.

Although the applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the *Trade-marks Act*, there is an initial burden on the opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist. [see *John Labatt Limited v. The Molson Companies Limited*, 30 C.P.R. (3d) 293 at 298; *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)]

Subsection 30(i) Ground of Opposition

The first ground of opposition fails because the opponent has not established that the applicant had knowledge that the applied for mark was clearly descriptive or non-distinctive. Mr. Haubrich has testified that he was unaware of the adoption of the words COMMUNITY CREDIT UNION by others and the applicant has made it clear that it still does not consider its mark to be clearly descriptive of its services.

Subsection 30(b) Ground of Opposition

The initial evidential burden on the opponent respecting the issue of the applicant's non-compliance with subsection 30(b) is a light one. [see *Tune Masters v. Mr. P's Mastertune* (1986), 10 C.P.R. (3d) 84 (T.M.O.B.) at 89] The burden can be met by reference not only to the opponent's evidence but also to the applicant's evidence and the cross-examination of the applicant's affiant. [see *Labatt Brewing Company Limited v. Molson Breweries, a Partnership* (1996), 68 C.P.R. (3d) 216 (F.C.T.D.) at 230; *Coca-Cola Ltd. v. Compagnie Française de Commerce*, 35 C.P.R. (3d) 406 (T.M.O.B.)]

The opponent's evidence does not deal with the accuracy of the applicant's claimed date of first use. However, as noted by the opponent, the applicant's own evidence casts doubt on the claimed date, for the following reasons.

Mr. Haubrich attests at paragraph 10 of his affidavit:

I verily believe that the Applicant used the trade-mark COMMUNITY CREDIT UNION starting in the late fall of 1986 since:

- a) The Strategic Planning Session with a consultant wherein the Board of Directors of the applicant decided to the change of name, was, according to my recollection held in the Spring of 1986;
- b) The Consultant, Peter Johnson of Corporate Strategists, of Newport Beach, California, suggested we adopt a brand to differentiate ourselves from the competition and create awareness by consumers and potential consumers tied to our name;
- c) Once the Consultant had explained the process of strategic planning, there were sessions of strategic planning between Directors and Management of the Applicant and a Strategic Business Plan was written and adopted by the Applicant. This is described in the last full paragraph of the 1986 Annual Report. The name COMMUNITY CREDIT UNION was agreed on as part of

that Strategic Business Plan. The Applicant tried to advertise its new trade-mark as extensively as possible, including having its phones answered identifying itself as COMMUNITY CREDIT UNION, changing signage and changing print material wherever possible; this all taking place in the fall of 1986 after the Board of Directors of the Applicant met and accepted the Strategic Business Plan;

- d) The “Report to the Shareholders” in the 1987 Annual Report, which covers the fiscal year of the Applicant from November 1, 1986 to October 30, 1987, references use of the trade-mark COMMUNITY CREDIT UNION including there having been new branch signs erected, and the Annual Report itself displaying the trade-mark COMMUNITY CREDIT UNION (an original 1987 Annual Report of the Applicant is attached to this my Affidavit and marked as Exhibit “C”);
- e) The 1986 Annual Report also displays the trade-mark COMMUNITY CREDIT UNION at the top of its page one, and states that the Applicant commenced to sell Fixed-rate Deposit Instruments in the name COMMUNITY INVESTMENT CERTIFICATE in the year ending October 31, 1986;
- f) I verily believe we commenced to switch marketing materials to show the new trade-mark COMMUNITY CREDIT UNION right after approving the mark which occurred in about November 1996; [corrected during cross-examination to 1986]
- g) Two documents showing how the Applicant used the trade-mark COMMUNITY CREDIT UNION in the period of time after it started using that trade-mark in about November 1986, are attached to this my Affidavit and marked as Exhibit “D”.

During cross-examination, Mr. Haubrich advised that the 1986 Annual Report was published in January 1987 and distributed in January or February 1987. [pages 39, 43 and 52 of the transcript] Accordingly, that exhibit does not substantiate the claimed date of first use. Furthermore, undertaking No. 13 provided pursuant to the cross-examination indicates that a motion was passed to accept the Strategic Business Plan at the Board of Directors Meeting held December 4, 1986. Given that Mr. Haubrich attested at paragraph 10(c) of his affidavit that the Applicant changed its signage and print material after the Board of Directors met and accepted

the Strategic Business Plan, the affidavit and the undertaking appear to be clearly inconsistent. (As an aside, I will mention that the Strategic Business Plan makes no reference to the trade-mark COMMUNITY CREDIT UNION – see undertaking No. 12.)

In addition, the evidence raises doubt about Mr. Haubrich’s statement that the 1987 Annual Report “references use of the trade-mark COMMUNITY CREDIT UNION including there having been new branch signs erected”. Page 3 of that report reads, “We began with the prominent “CREDIT UNION” signs on our downtown building.” As no photograph of any signage has been provided, I cannot tell if the signs read COMMUNITY CREDIT UNION or simply CREDIT UNION.

I will also mention that contrary to paragraph 10(a) of the affidavit, the Minutes of the Board of Directors Meeting of July 31, 1986 (undertaking No. 8 to the cross-examination) indicate that a motion was passed to engage the services of a planning consultant to attend the Planning Session set for September 1986, not the spring of 1986 (see also undertaking No. 7).

As pointed out by the opponent, whether or not a trade-mark has been used is a conclusion of law. Evidence must be presented on the basis of which I may conclude that the words COMMUNITY CREDIT UNION have been used as a trade-mark in accordance with section 4 of the Act. In the present case, we only have an unsubstantiated claim by Mr. Haubrich that the mark has been used since “the late fall of 1986” or “about November 1986” – there are no materials that show how COMMUNITY CREDIT UNION was being used prior to the end of November 1986. Instead, there are several inconsistencies that raise doubt as to the correctness

of Mr. Haubrich's statement. For these reasons, I conclude that the opponent has satisfied its evidential burden and, because the applicant did not file evidence directed to positively establishing its claimed date of first use, the applicant has not satisfied its legal burden. The subsection 30(b) ground of opposition therefore succeeds.

Before proceeding, I will mention that both parties made submissions concerning the applicant's trade-name registration for COMMUNITY CREDIT UNION, which was signed by Mr. Haubrich on May 21, 1987 and which certified that a credit union business had been carried on under the trade-name since February 1, 1987. During cross-examination, Mr. Haubrich said that the date set out in this document was incorrect and that it had been provided by his solicitor. [see pages 60-63 of cross-examination] The opponent's agent submitted that Mr. Haubrich's memory of when use started would likely have been more accurate in 1987 than it is almost twenty years later. The applicant's agent countered that, in any event, the document is not relevant to the issue of first use of the trade-mark since it concerns first use of the trade-name. I will not rule on the relevancy of this alleged inconsistency in view of the fact that I consider there to be sufficient other inconsistencies in the evidence to support the subsection 30(b) ground of opposition.

I also want to comment on the case of *WCC Containers Sales Ltd. V. Haul-All Equipment Ltd.* (2003), 28 C.P.R. (4th) 175 (F.C.T.D.), wherein a 2 year error in the statement of the date of first use was not held against the registrant. The applicant relied on this decision but it does not assist the applicant because it was an expungement action under section 18, not an opposition. As set out on page 183-184 of the *WCC* decision, non-compliance with subsection 30(b) is not a ground

for expungement under section 18, unless the misstatement was a fraudulent misrepresentation or had the effect of making the mark unregistrable under section 12.

Distinctiveness Ground of Opposition

I will begin my discussion of the fourth ground by clarifying that the opponent may rely on its evidence of use of the words COMMUNITY CREDIT UNION by third parties, even though such parties were not identified in the statement of opposition. [see *Novopharm Ltd. v. AstraZeneca AB et al.* (2002), 21 C.P.R. (4th) 289 (F.C.A.); *Novopharm Ltd. v. Ciba-Geigy Canada Ltd.*; *Novopharm Ltd. v. Astra Aktiebolag* (2001), 15 C.P.R. (4th) 327 (F.C.A.)]

The commonly accepted material date with respect to distinctiveness is the date of filing of the opposition [see *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.) at 324]. As this ground of opposition was first pleaded in the statement of opposition that was filed on December 12, 2000, I will not consider any evidence in support of this issue that postdates December 12, 2000. That eliminates Mr. Chan's evidence in its entirety but the affidavits of Mr. Ellis and Ms. Gallagher satisfy the opponent's initial burden.

The opponent's agent has referred me to the decision of Mr. Justice O'Keefe in *Canadian Council of Professional Engineers v. APA - The Engineered Wood Association* (2000), 7 C.P.R. (4th) 239 (F.C.T.D.), where the following appears at page 253:

The distinctiveness of a proposed mark is evaluated upon a consideration of the definition provided by the Act, as well as the case law considering it: "distinctive", in relation to a trade-mark, means a trade-mark that actually distinguishes the wares or services in association with which it is used by its owner from the wares or services of others or is adapted so to distinguish them.

It is trite law that the hallmark of a trade-mark, given the requirement that it be distinctive, is the message that it sends to the public that the wares or services have *one single source*. If a trade-mark cannot function so as to indicate such a one single source, it is not registrable and is in fact no trade-mark at all. ...

While it may be true that a purely descriptive or a deceptively misdescriptive trade-mark is necessarily not distinctive, it is not correct to hold that merely because a mark is adjudged *not* to be either purely descriptive or deceptively misdescriptive, it is therefore distinctive.... In articulating this aspect of the law, I can do no better than the appellant's words at paragraph 27 of its Memorandum:

While distinctiveness is quite often determined as part of an evaluation of whether or not the proposed trade-mark is registrable by way of confusion with another trade-mark, it is possible to refuse an application for registration on the basis of non-distinctiveness independent of the issue of confusion or any other grounds of opposition, provided the ground is raised in opposition.

The opponent submits that the above case is similar to the one at hand and says that a similar conclusion should follow. In this regard, I note that Mr. Justice O'Keefe concluded his discussion of the distinctiveness issue by saying, at page 254:

With respect to the proposed mark "THE ENGINEERED WOOD ASSOCIATION" however, I must conclude that the proposed mark is not distinctive and therefore allow the opposition raised by the appellant to this proposed mark. Taken in its totality, this mark is a very generic expression which could be applied to any organization which provided similar wares and services. This mark cannot function to distinguish the wares or services of the respondent from those of others providing similar wares or services:

What is used as a trade-mark is required to be distinctive of the particular wares or services made, sold or performed in association with the mark in order to distinguish them from the wares or services of others and to identify them with a particular trader. If it is applicable to the general description of all wares or services of that class by whomsoever made and sold, the mark is not distinctive but descriptive and hence is not entitled to protection as a trade-mark.

(H. Fox, *The Canadian Law of Trade-marks and Unfair Competition*, 3rd ed., (Toronto, Carswell, 1956).)

I note however that Mr. Justice O'Keefe was dealing with a proposed-use application, whereas the application at hand was filed based on use. I must therefore consider both whether the

applicant's mark is inherently non-distinctive and, if it is, whether it has become distinctive through use. It is noted that in the present case, the distinctiveness ground does not plead either that the applicant's mark is not distinctive because it is clearly descriptive or that it is not distinctive because it is confusing with marks/names used by others.

I conclude that the words **COMMUNITY CREDIT UNION** are inherently non-distinctive as they would be interpreted as referring to the services of a credit union that is located locally, services a certain segment of the population, or takes into account community interests. Other traders might well wish to use such a phrase. The fact that many other credit unions have adopted the word **COMMUNITY** in their names simply reinforces such a conclusion. The words "community credit union", whether clearly descriptive or not, appear to have been in common use in the industry in Canada as of the material date. No independently distinctive word has been added to the common term **COMMUNITY CREDIT UNION** to distinguish the applicant's mark or services from those of others. The following words of Mr. Justice O'Keefe are therefore totally applicable to the present case: "Taken in its totality, this mark is a very generic expression which could be applied to any organization which provided similar wares and services. This mark cannot function to distinguish the wares or services of the respondent from those of others providing similar wares or services."

Turning next to the question of whether the mark has acquired distinctiveness, I note first that the legal onus is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its services from the services of others throughout Canada. [see *Muffin Houses Incorporated v. The Muffin House Bakery Ltd.* (1985), 4 C.P.R. (3d) 272 (TMOB)] As there is no

evidence that the applicant's mark has been used or made known across Canada, as opposed to simply in Alberta, there is no evidence that it actually distinguishes its services from those of others throughout Canada. The distinctiveness ground of opposition therefore succeeds.

Before proceeding, I wish to note that my decision does not necessarily preclude a finding that the applicant's mark may have acquired distinctiveness in some parts of Alberta. I also acknowledge the case law relied upon the applicant which states that exclusive use is not mandatory for a finding of distinctiveness (*Molson Breweries, a Partnership v. John Labatt Ltd.* (2000) 5 C.P.R. (4th) 180 (F.C.A.) at 202-203) but note that the Federal Court of Appeal also stated that use of the same mark by others in association with similar wares is relevant in determining whether a mark is in fact distinctive and that distinctiveness will depend upon all the circumstances.

Registrability Grounds of Opposition

At the oral hearing, the opponent's agent indicated that it was not dropping its paragraph 12(1)(c) ground of opposition but conceded that if it was not successful on its paragraph 12(1)(b) ground then it would be difficult for the paragraph 12(1)(c) ground to succeed. In view of the fact that I have already refused this application on the basis of two grounds of opposition, I will not deal with the registrability grounds of opposition.

Disposition

Having been delegated by the Registrar of Trade-marks by virtue of subsection 63(3) of the *Trade-marks Act*, I refuse the application pursuant to subsection 38(8) of the Act.

DATED AT TORONTO, ONTARIO, THIS 13th DAY OF JULY 2005.

**Jill W. Bradbury
Member
Trade-marks Opposition Board**