



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2014 TMOB 187
Date of Decision: 2014-08-30

**IN THE MATTER OF AN OPPOSITION
by Yamaha Hatsudoki Kabushiki Kaisha
to application No. 1,444,587 for the trade-
mark GRIZZLY LOCKER in the name
of Ring & Pinion Service Inc.**

File History

[1] On July 13, 2009, Ring & Pinion Service Inc. (the Applicant), filed an application for the trade-mark GRIZZLY LOCKER (the Mark), based upon use of the Mark in Canada since May 13, 2009, in association with land vehicle parts, namely, differentials. The application is also based on use and registration of the Mark in the United States, and the Applicant claimed a priority filing date of March 17, 2009, based on its U.S. application No. 77/693,232.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of September 7, 2011.

[3] On November 7, 2011, Yamaha Hatsudoki Kabushiki Kaisha (the Opponent) filed a statement of opposition against the application. The grounds of opposition are that the Applicant's application does not conform to the requirements of section 30(b) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act), the Mark is not registrable pursuant to section 12(1)(d), the Applicant is not the person entitled to registration of the Mark pursuant to sections 16(1)(a) and 16(2)(a), and the Mark is not distinctive. Each of the final four grounds is based on confusion with the Opponent's GRIZZLY trade-mark, registration No. TMA525,163, registered in association with all terrain vehicles and structural parts therefore, excluding tires and tubes.

[4] The Applicant filed and served a counter statement, in which it denied the Opponent's allegations.

[5] The Opponent's evidence consists of the affidavit of Tim Chelli, National Manager of Regulatory Affairs for Yamaha Motor Canada Ltd. The Applicant's evidence consists of the affidavit of Kevin Kaestner, President of the Applicant.

[6] Only the Applicant filed a written argument. An oral hearing was not conducted.

Onus and Material Dates

[7] The Applicant bears the legal onus of establishing, on a balance of probabilities that its application complies with the requirements of the Act. There is, however, 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 Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298; *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA)].

[8] The material dates that apply to the grounds of opposition are as follows:

- section 30 - the filing date of the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475]; in this case, this date is March 17, 2009, considering the priority date claimed;
- section 12(1)(d) - the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)];
- section 16(1) - the Applicant's date of first use [see section 16(1)];
- section 16(2) – the priority filing date of the application [see section 16(2) and section 34];
- non-distinctiveness - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Section 30(b) Ground

[9] The section 30(b) ground of opposition can be summarily dismissed on the basis that the Opponent has not met its initial evidentiary burden in respect thereof. In this regard, the Opponent did not file any supporting evidence or make any submissions with respect to this ground of opposition.

Section 12(1)(d) Ground

[10] The section 12(1)(d) ground of opposition turns on the issue of the likelihood of confusion between the Mark and the Opponent's registered mark.

[11] The Opponent's initial burden with respect to the section 12(1)(d) ground has been satisfied because its registration is in good standing.

test for confusion

[12] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class. In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; b) the length of time each has been in use; c) the nature of the wares, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight.

[13] The Supreme Court of Canada discussed the appropriate process for assessing all of the surrounding circumstances to be considered in determining whether two trade-marks are confusing in its decisions in *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27; *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321; and *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al* (2006), 49 CPR (4th) 401. In *Masterpiece* in particular, the Court stated that

the most significant factor for the confusion analysis is often the degree of resemblance between the marks, and as a result, most confusion analyses should begin with this factor. Using this approach I shall now assess all of the surrounding circumstances.

section 6(5)(e) - the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[14] In the present case both the Mark and the Opponent's marks begin with the word GRIZZLY which is distinctive in relation to both parties' wares. Although the Mark includes the word LOCKER which also has no meaning in relation to the applied for wares, it has been held that the first component of a trade-mark is often the most important for purposes of distinction [see *Conde Nast Publications Inc v Union des éditions modernes* (1979), 46 CPR (2d) 183 (FCTD)]. I therefore consider there to be a high degree of resemblance between the marks in appearance, sound and ideas suggested.

section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known

[15] Both of the parties' marks are inherently distinctive in relation to the associated wares.

[16] The strength of a trade-mark may be increased by means of it becoming known through promotion or use. The affidavit of the Opponent's affiant, Mr. Chelli, establishes the following:

- Yamaha Motor Canada Ltd. is a wholly owned subsidiary of Yamaha Motor Corporation of U.S.A. which is a wholly owned subsidiary of Yamaha Hatsudoki Kabushiki Kaisha (the Opponent) which is also known as Yamaha Motor Co. Limited (Yamaha);
- Yamaha Motor Canada Ltd. distributes in Canada, on behalf of Yamaha, hundreds of model variations in the following Yamaha product lines, namely: motorcycles and scooters, snowmobiles, ATVs, boats, outboard engines, power products (generators and pumps), and personal watercrafts;
- Yamaha Motor Canada Ltd. has distributed Yamaha's GRIZZLY brand of ATVs in Canada since they were launched more than 10 years ago;

- the GRIZZLY brand has been one of the most popular brands of ATVs in the Canadian market since it was launched;
- between 2003 and 2012, Yamaha's total dealer value sales (i.e. sales from Yamaha to its dealers) of ATVs sold by the Opponent in association with the GRIZZLY trade-mark has been over \$515 million (there is no breakdown of any of these figures relating to the promotion or sale of vehicle parts);
- the GRIZZLY mark has been displayed on Yamaha's ATVs as well as on hang tags attached to ATVs when they are displayed in the dealers' showrooms;
- since 2003 Yamaha and Yamaha Motor Canada Ltd. have spent in excess of \$30,000,000 on the promotion of GRIZZLY brand ATVs in the Canadian market through product discounts, dealer promotions, consumer promotions, advertising costs, dealer and consumer show costs and racing support [Exhibits D and E];
- the GRIZZLY trade-mark is displayed on Yamaha Motor Canada Ltd.'s Canadian website and through the distribution of brochures through its dealer network in order to promote the sale of GRIZZLY brand ATVs [Exhibits D and E]; and
- parts that are available in Canada for GRIZZLY brand ATVs include differentials [Exhibits F1 and F2].

[17] The Applicant submits that the Opponent has failed to explain or provide evidence of direct or indirect control by the Opponent with respect to the use of its mark by the subsidiary companies.

[18] Mr. Chelli does state that Yamaha Motor Canada Ltd. is a wholly owned subsidiary of the Opponent. He also states that his company is a distributor in Canada for the Opponent and the brochure attached as Exhibit E to his affidavit confirms this.

[19] It has been previously held that corporate structure alone does not establish the existence of a licensing arrangement [see *MCI Multinet Communications Corp v MCI Multinet Communications Inc*, (1995), 61 CPR (3d) 245 (TMOB); *Loblaws Inc v Tritap Food Broker*

(1999), 3 CPR (4th) 108 (TMOB)]. On the other hand, evidence of use by a distributor is considered evidence of use of the trade-mark by the registered owner of the mark [see *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD)]. In view that Mr. Chelli's evidence concerning the licensing and control of the trade-mark by the Opponent was unchallenged by either cross-examination or contradicting evidence, I have no basis on which to conclude that use shown of the Mark would not have enured to the Opponent's benefit. I am therefore satisfied that the Opponent's mark has become known to a considerable extent in Canada in association with ATVs.

[20] With respect to the Applicant's Mark, the affidavit of the Applicant's affiant, Mr. Kaestner establishes the following:

- the Applicant has sold between \$7,437.29 and \$61,771.26 of land vehicle parts, namely differentials, in association with the Mark between 2009 and 2012;
- the Mark is applied directly to packaging and promotional material including stickers and informational literature [Exhibit C];
- at the date of Mr. Kaestner's affidavit, the Applicant had 31 Canadian distributors with website presence using the mark [Exhibit D];
- the first sale in Canada of products in conjunction with the Mark was May 13, 2009 [Exhibit G]; and
- the Applicant advertises the Mark using direct mailers every 2-3 weeks, flyers, catalogues, online advertising, email blasts once or twice weekly and on the company's website showing and describing products displaying the Mark [Exhibits C, H and I].

[21] Based on the foregoing information, I conclude that the Mark has become known to some extent in Canada.

[22] In view that the Opponent's mark has become known in Canada to a much greater extent than the Applicant's Mark, this factor favours the Opponent.

section 6(5)(b) - the length of time each trade-mark has been in use

[23] As set out above, the Applicant has established use since of its mark since 2009 while the Opponent has shown use of its mark since 2003. This factor therefore also favours the Opponent.

section 6(5)(c) and (d) - the nature of the wares, services or business; the nature of the trade

[24] It is the Applicant's statement of wares as defined in its application versus the Opponent's registered wares and services that govern my determination of this factor [see *Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); *Mr. Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA); *Miss Universe Inc v Bohna* (1994), 58 CPR (3d) 381 (FCA)].

[25] The applied for wares are land vehicle parts, namely differentials. The Opponent's wares include all-terrain vehicles and structural parts therefore, excluding tires and tubes. The Opponent's evidence (i.e. the listing taken from Yamaha Canada's online parts catalogue for GRIZZLY brand ATVs) shows that the parts available for sale by the Opponent include differentials [Exhibits F1 and F2].

[26] The Applicant submits that the Opponent's mark as indicated on Exhibits F1 and F2 is not used in close proximity to the listed vehicle parts, nor is the Opponent's mark used in any way that would lead a consumer to associate the Opponent's mark with the parts.

[27] I respectfully disagree. The pages from the parts catalogue attached as Exhibit F2 show a selection of front differential parts for three different models of GRIZZLY brand ATVs. The model name of the ATV appears in the top left corner of the page which has an image of a front differential and descriptions of all the parts that are shown in the diagram. In my view the consumer would associate the Opponent's mark with the parts. I therefore find that the wares of the parties overlap.

[28] I agree with the Applicant that the nature of the parties' businesses is different in that the Opponent's business appears to be focused on the sale of ATVs whereas the Applicant has focused on the sale of one particular part of land terrain vehicles, namely differentials.

However, in view that the Opponent also sells parts for its ATVs, it is reasonable to conclude that the parties' channels of trade would likely overlap.

conclusion re likelihood of confusion

[29] The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the Applicant's GRIZZLY LOCKER Mark on its land vehicle parts, namely differentials, at a time when he or she has no more than an imperfect recollection of the Opponent's GRIZZLY trade-mark for ATVs and structural parts, and does not pause to give the matter any detailed consideration or scrutiny [see *Veuve Clicquot*].

[30] Having considered all the surrounding circumstances, I find that the Applicant has not met its legal burden. The Opponent has an inherently distinctive trade-mark which it has significantly used and promoted in Canada. While the Applicant has used its Mark to some extent in Canada, it has used it in association with wares which directly overlap with those of the Opponent. There is also a high degree of resemblance between the marks on all levels.

[31] In view of the foregoing, I find that there is a reasonable likelihood of confusion between the parties' trade-marks.

[32] The section 12(1)(d) ground of opposition is therefore successful.

Non-distinctiveness Ground of Opposition

[33] While there is a legal onus on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes its wares from those of others throughout Canada, there is an initial evidential burden on the Opponent to establish the facts relied upon in support of the ground of non-distinctiveness [see *Muffin Houses Incorporated v The Muffin House Bakery Ltd* (1985), 4 CPR (3d) 272 (TMOB)]. Pursuant to its evidential burden, the Opponent is under an obligation to show that, as of the date of filing of the statement of opposition, its trade-mark had become known sufficiently to negate the distinctiveness of the Mark [see *Bojangles' International, LLC v Bojangles Café Ltd* (2004), 40 CPR (4th) 553, affirmed (2006), 48 CPR (4th) 427 (FC)].

[34] As discussed more fully in the analysis of the section 12(1)(d) ground of opposition, the Opponent was successful in establishing that its GRIZZLY trade-mark had become sufficiently well known in Canada as of the date of filing the statement of opposition and as a result, the Opponent has met its evidential burden. The difference in material dates is insignificant and for the reasons as identified above in the analysis of the section 12(1)(d) ground of opposition, I am not satisfied that the Applicant has discharged its burden of showing, on a balance of probabilities that there is no reasonable likelihood of confusion between the parties' trade-marks.

[35] Accordingly, the non-distinctiveness ground is also successful.

Remaining Grounds of Opposition

[36] Since the opposition has already succeeded under two grounds, I will not address the remaining grounds of opposition.

Disposition

[37] In view of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application.

Cindy R. Folz
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office