



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

**Citation: 2013 TMOB 18**  
**Date of Decision: 2013-02-05**

**IN THE MATTER OF AN OPPOSITION  
by Keystone Automotive Distributors  
Company, LLC and Keystone  
Automotive Operations, Inc. to  
application No. 1,208,980 for the trade-  
mark KEYSTONE & Design in the name  
of Keystone Automotive Industries, Inc.**

File Record

[1] On March 9, 2004 Keystone Automotive Industries Resources, Inc. filed an application to register the trade-mark KEYSTONE & Design(the Mark) as reproduced hereinafter:



[2] Subsequently the application was assigned to Keystone Automotive Industries, Inc (the Applicant). The application was filed on the basis of use in Canada since at least as early as May 1999 in association with:

automotive body parts, namely body panels and rust repair panels, fenders, hoods, radiators and condensers, and head and tail light assemblies; bumpers, namely new and

remanufactured plastic bumpers and plastic bumper covers and steel bumpers and reinforcement bars; paint, materials used in repairing damaged vehicles, namely sandpaper, abrasives, masking products, namely masking tape, masking paper, masking liquid, and plastic filler; remanufactured alloy wheels; windshields and autoglass (the Wares)

and since March 1965 in association with automotive wheels.

[3] The application is also based on use and registration abroad, namely in or for the United States of America, the country of origin of the Applicant's predecessor in title. The registration was made in the United States of America on January 2, 1968 under No. 0,841,546 in association with automotive wheels.

[4] The application was advertised for opposition purposes in the *Trade-marks Journal* of August 5, 2009. Keystone Automotive Distributors Company, LLC (Distributors LLC) and Keystone Automotive Operations, Inc. (Operations), (Distributors LLC and/or Operations referred to as the Opponent) filed a statement of opposition on January 5, 2010 which was forwarded by the Registrar to the Applicant on January 14, 2010.

[5] The grounds of opposition pleaded are:

1. The Application does not comply with the requirements of section 30(i) of the *Trade-marks Act* RSC 1985, c T-13, (the Act) in that the Applicant could not have been satisfied of its entitlement to use the Mark in Canada in association with the Wares in light of the prior use in Canada of the Opponent's trade-marks KEYSTONE, KEYSTONE & Design, KEYSTONE AUTOMOTIVE OPERATIONS, INC. & Design, and KEYSTONE ECOMMERCE (Opponent's Trade-marks) in association with automotive and vehicle parts and accessories, mail order catalogue and computerized online ordering services featuring automotive parts and accessories, providing a searchable database of automotive parts for sale and online catalog services featuring automotive parts and accessories; providing an online commercial information directory featuring information pertaining to the automotive industry; computerized online retail store services and wholesale distributorship services featuring automotive parts and accessories; advertising and marketing services, namely promoting the goods and services of others in the field of automotive parts; outsourcing services (the Opponent's wares and services);

2. The Application does not comply with the requirements of section 30(b) of the Act as the Applicant has not used the Mark in association with the Wares since the date claimed in the application;
3. The Applicant is not the person entitled to the registration of the Mark pursuant to section 16(1)(a) of the Act in that at the filing date of the application the Mark was confusing with the Opponent's Trade-marks which had been previously used by the Opponent in Canada in association with the Opponent's wares and services;
4. The Applicant is not the person entitled to the registration of the Mark pursuant to section 16(1)(c) of the Act in that at the filing date of the application the Mark was confusing with the Opponent's trade-names forming part of the Opponent's Trade-marks previously used and made known in Canada by the Opponent;
5. Pursuant to section 38(2)(d) of the Act and for the reasons set forth above, the Mark is not distinctive of the Applicant within the meaning of section 2 of the Act.

[6] In a counter statement filed on January 18, 2010 the Applicant essentially denied all grounds of opposition.

[7] The Opponent filed as its evidence the affidavit of Patrick Judge while the Applicant chose not to file evidence. Only the Opponent filed a written argument and both parties were represented at a hearing.

#### Legal Onus and Burden of Proof

[8] The legal onus is upon the Applicant to show that the application complies with the provisions of the Act, but there is however an initial evidential 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. Once this initial burden is met, the Applicant has to prove, on a balance of probabilities, 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* (1984), 3 CPR (3d) 325 (TMOB); *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) and *Wrangler Apparel Corp v The Timberland Company* [2005] FC 722].

#### Ground of Opposition Based on Section 30(i) of the Act

[9] Section 30(i) of the Act only requires the Applicant to declare itself satisfied that it is entitled to use the Mark. Such a statement is included in the application. One may rely on section 30(i) in specific cases such as where fraud by the Applicant is alleged [see *Sapodilla Co Ltd v Bristol Myers Co* (1974), 15 CPR (2d) 152 (TMOB)]. There is no allegation of that nature in the statement of opposition or any evidence in the record to that effect.

[10] Under these circumstances, the first ground of opposition is dismissed.

#### Ground of Opposition Based on Section 30(b) of the Act

[11] The relevant date for this ground of opposition is the filing date of the application [see *Georgia-Pacific Corporation v Scott Paper Ltd* (1989), 24 CPR (3d) 274 (TMOB)]. The Opponent has an evidential burden with respect to its allegation that the Applicant had not used the Mark at the alleged date of first use claimed in the application in association with each of the Wares and automotive wheels. Such burden has been characterized as a light one. Moreover the Opponent can rely on the evidence filed by the Applicant itself [see *York Barbell Holdings Ltd v ICON Health & Fitness, Inc* (2001), 13 CPR (4th) 156 (TMOB)]. However in our case the Applicant has not filed any evidence.

[12] In fact the Opponent's main argument is that the Applicant has not filed any evidence to support its claimed date of first use. There is no jurisprudence that I am aware of and the Opponent has not cited any case law to support its contention that when an applicant does not file any evidence to support its claimed date of first use, such inaction would be sufficient for the Opponent to meet its initial burden of proof. As with any other grounds of opposition, the initial burden lies on the Opponent. The Opponent has not filed any evidence to support this ground of opposition. Consequently the second ground of opposition is also dismissed.

#### Ground of Opposition based on Section 16(1)(a) of the Act

[13] To address some of the issues raised by the Opponent relating to the fact that the Applicant has not filed any evidence to support its claimed date of first use, I need to make some preliminary comments. According to the Opponent, it would be too easy for an applicant to

simply allege a “ridiculous” date of first use, a term mentioned during the hearing, then not file any evidence and finally wait and see if the opponent will be able to prove a prior date of first use.

[14] Prior to *Effigi Inc v Canada* (2005), 41 CPR (4th) 1 (FCA), an application claiming an earlier date of first use than one alleged in a previously filed application was able to overcome a citation of the latter on the basis of such earlier claimed date of first use without having to prove it at the examination stage. Since *Effigi* a party claiming a date of first use that is earlier than that of a previously filed application must oppose that application and prove that it had used its trade-mark before the claimed date of first use mentioned in the previously filed application. Such opposition, as in the present case, is still governed by the rules of evidence and the burden of proof outlined above.

[15] Consequently, regardless of the fact that the Applicant has not filed any evidence to support its alleged dates of first use, the Opponent still has the initial burden to prove that it had previously used or made known in Canada a confusingly similar trade-mark. Thus, the Opponent had to prove, to meet its initial burden, that it had used any one of its trade-marks and/or trade-names in Canada prior to March 1965 and/or May 1999. If the Opponent failed to do so, I would have no other alternative but to dismiss the grounds of opposition based on section 16(1) of the Act, regardless of the fact that the Applicant has not established its own dates of first use. If however the Opponent has met its initial burden, then I have to determine if there exists a likelihood of confusion between the parties’ respective trade-marks.

[16] Mr. Judge is Operations’ Executive Vice President and Secretary and has occupied this position since 1998. He is responsible for all compliance and legal functions of the organization. Previously he was the General Manager from 1976 to 1998 and Manager from 1972 to 1976.

[17] He provides some general corporate information on the Opponent. He states that Operations was incorporated in January 1971 under the name Keystone Automotive Warehouse (Warehouse) and has had the word “KEYSTONE” in its corporate name since 1971. However this is a bald statement. I will summarize the evidence of use filed in the record later on. In 1998 Warehouse was purchased and was reorganized into Operations. In 1999 two other entities were created: Keystone Automotive Distributors’ Inc. (Distributors Inc) and Keystone Automotive

Operations of Canada (Operations Canada). In 2005 Distributors Inc merged into Distributors LLC.

[18] Mr. Judge affirms that Distributors LLC is the owner of the Opponent's trade-marks KEYSTONE, KEYSTONE AUTOMOTIVE OPERATION, INC. and KEYSTONE & Checkered Flag Design. Two license agreements were filed as exhibit B to Mr. Judge's affidavit (one between Distributors LLC and Operations Canada and another one between Distributors LLC and Operations).

[19] Mr. Judge states that since its incorporation Operations has carried on business providing Opponent's wares and services to the aftermarket automotive industry. According to Mr. Judge, Operations has offered the Opponent's wares and services in Canada since November 1991.

[20] At the hearing the Opponent's agent conceded that there is no evidence in the record, beside the general statement made by Mr. Judge of the use of any of the Opponent's Trade-marks in association with wares.

[21] As for the allegation of use of the Opponent's Trade-marks in Canada in association with services since November 1991, there is no documentation to substantiate the date of November 1991. The earliest documentation in the record bears a date of 1999. It consists of a photocopy of an advertisement, part of exhibit A to Mr. Judge's affidavit. It does state "Specials good through June 30, 1999". So one would assume that it was circulated prior to June 30, 1999. The document emanates from Operations Canada, one of the Opponent's licensees, as the corporate name of Operations Canada appears on the document. Finally the advertisement does state: "Truck delivery available 3 days a week!- Greater Toronto Area- Sudbury & North Bay Region- Ottawa Area- Greater London Area". Therefore this document satisfies me that the Opponent's services were available in Canada prior to June 30, 1999. However I have no evidence that such advertisement was in circulation in Canada prior to May 31, 1999.

[22] There is a catalogue bearing the year 1999 but we have no indication as to when such document was first circulated in Canada. Since the relevant dates for this ground of opposition are March 1965 and/or May 1999, without an indication of the exact date when it was first circulated, I cannot presume that it was in circulation in Canada prior to May 31, 1999. There is

also a document bearing the year 1996 entitled “Marketing program” bearing Warehouse’s trade-name but there is no indication on the document that it would have been distributed in Canada. There is a geographic representation of the Eastern part of the United States with no reference to Canada or any portion thereof.

[23] There are other documents filed as part of exhibits C and D (there appears to be duplication in exhibit D of documents filed as part of exhibit A or exhibit C) to Mr. Judge’s affidavit that bear the Opponent’s Trade-marks but there is no indication on these documents or in Mr. Judge’s affidavit as to when they were distributed in Canada. Mr. Judge, in paragraph 11 of his affidavit, does state that they were used “over the years”. Dates are important in opposition proceedings. I cannot infer from such general statement that the bundles of documents attached to his affidavit were in circulation in Canada prior to May 31, 1999.

[24] From the evidence described above, I conclude that the Opponent has failed to meet its initial burden of proof. Consequently the third and fourth grounds of opposition are dismissed.

#### Distinctiveness of the Mark

[25] The relevant date for this ground of opposition is the filing date of the statement of opposition (January 5, 2010) [see *Andres Wines Ltd. and E & J Gallo Winery* (1975), 25 CPR (2d) 126, (FCA) and *Metro-Goldwyn-Meyer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FCTD)].

[26] Under this ground of opposition the Opponent has the initial evidential burden to prove that its trade-mark KEYSTONE had become sufficiently known in Canada on January 5, 2010 to negate the distinctiveness of the Mark [*Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 at 58 (FCTD) and *Bojangles’ International LLC v Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (FCTD)]. Once this initial burden is met, the Applicant has a legal onus to show, on a balance of probabilities, that the Mark was not likely creating confusion with the Opponent’s trade-mark KEYSTONE at the relevant date such that it was adapted to distinguish or actually did distinguish throughout Canada the Wares and its automotive wheels from the Opponent’s services [see *Muffin Houses Incorporated v The Muffin House Bakery Ltd* (1985), 4 CPR (3d) 272 (TMOB)].

[27] The later relevant date allows me to consider any facts proven that took place prior to January 5, 2010. I already referred to some advertisements that were published after May 1999 when assessing the ground of opposition of entitlement under section 16(1)(a) and (c) of the Act. The catalogue 1999 and the advertisement about the Opponent's services being available in Canada prior to June 30, 1999 are pertinent under this ground of opposition.

[28] Mr. Judge does also provide the Opponent's annual sales figures in Canada during the years 2006 to 2009 inclusive. They total more than \$225 million. He also filed as part of exhibit C to his affidavit a copy of an advertisement which contains the following information: NEW CROSS DOCK-OPENING June 8, 2009 – Serving South Dakota, North Dakota & Manitoba, Canada.

[29] There are also photocopies of 2 documents filed as part of exhibit D to Mr. Judge's affidavit bearing the following information "NEW CROSS DOCK-AUGUST 3, 2009" or "NEW CROSS DOCK-OPENING AUGUST 3, 2009 MOOSE JAW, SASKATCHEWAN". On these documents not only Operations Canada's trade-name appears but as part of it there is a stylized version of the word KEYSTONE with a flag design as illustrated hereinafter:



[30] I consider such representation to be use of the trade-mark KEYSTONE, as it does stand out from the corporate name. The size of the letters of such word is larger than the remainder of Operation Canada's corporate name and it is written in bold characters. I do not need to reproduce other exhibits wherein the corporate name of the different entities identified above appears on some advertisements. The Checkered Flag Design and the word KEYSTONE appear in similar fashion. Sometimes the script of the letters used for the word KEYSTONE may differ, but the remainder of the corporate name is always written underneath the word KEYSTONE and



in much smaller letters [see *Road Runner Trailer Manufacturing Ltd v Road Runner Trailer Co* (1984), 1 CPR (3d) 443 (FCTD)].

[31] I conclude, from the annual sales figures mentioned above, the advertisements and the catalogue described above that the Opponent's trade-mark KEYSTONE was known in Canada to some extent on January 5, 2010.

[32] I shall now address some of the technical issues raised by the Applicant regarding the Opponent's evidence of use of its trade-marks. Firstly the Applicant argues that there are deficiencies in the chain of title of ownership of the Opponent's Trade-marks. Mr. Judge does allege that Distributors LLC is the owner of the Opponent's Trade-marks. Such entity was the result of a merger in 2005 and there are confirmatory license agreements filed as detailed above wherein Distributors LLC is the licensor. The fact that those licenses bear the exact same date as the date of execution of Mr. Judge's affidavit does not render them null and void. They are confirmatory. If the Applicant wanted more explanations on the merger and how Distributors LLC became the owner of the Opponent's Trade-marks it could have cross-examined the deponent.

[33] The Applicant raised the fact that the license agreement between Distributors LLC and Operations makes reference to a licensed use of some trade-marks since November 19, 1991 while Operations was only incorporated in 1998. That is not what Mr. Judge states in his affidavit. He affirms that in 1998 Warehouse was purchased by a group of investors and was reorganized into Operations. If the Applicant wanted to have more information on such reorganization it could have cross-examined Mr. Judge on this issue.

[34] As for the license agreement between Distributors LLC and Operations Canada, the Applicant argues that it refers to a licensed use since March 25, 1999 while Mr. Judge alleges in his affidavit that Operations Canada was incorporated in 1999. If the Applicant wanted the exact date of incorporation of the latter entity it could have obtained it by cross-examining Mr. Judge. There is certainly no contradiction between the document filed and the allegation made by Mr. Judge.

[35] All relevant documents identified above that were printed prior to November 30, 1999 make reference to either Operations or Operations Canada, two licensees of Distributors LLC. Consequently any use of the trade-mark KEYSTONE by any of those two licensees is deemed use of that trade-mark by Distributors LLC, one of the Opponent [see section 50 of the Act].

[36] Another argument raised by the Applicant is that the Opponent has not specifically alleged in its statement of opposition the prior use of the trade-mark KEYSTONE & Checkered Flag Design which appears on the relevant advertisements described above. The Opponent did refer to the prior use of the trade-mark KEYSTONE & Design in its statement of opposition. If the Applicant wanted clarification as to what trade-mark(s) the Opponent was referring to in its statement of opposition, it could have requested particulars prior to the evidence stage. The fact that Mr. Judge is referring to a trade-mark as KEYSTONE & Checkered Flag Design does not mean that it is a different trade-mark than KEYSTONE & Design. There is no reference to two distinct design trade-marks in the statement of opposition, the affidavit of Mr. Judge and the license agreements. If one considers the script used for the word KEYSTONE and the checkered flag design as illustrated above to be the trade-mark KEYSTONE & Design, then that illustration also constitutes evidence of use of the word mark KEYSTONE [see *Canada (Registrar of Trade-marks) v Cie Internationale pour l'informatique CII Honeywell Bull, SA* (1985), CPR (3d) 523 (FCA)].

[37] As the Opponent has met its initial burden, the onus is on the Applicant to prove, on a balance of probabilities, that the Mark is not confusing with any of those Opponent's Trade-marks.

[38] The test to determine if there is a likelihood of confusion between two trade-marks is outlined in section 6(2) of the Act. Some of the surrounding circumstances to be taken into consideration are described in section 6(5) of the Act: the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; the length of time the trade-marks or trade-names have been in use; the nature of the wares, services, or business; the nature of the trade; and the degree of resemblance between the trade-marks or trade-names in appearance, or sound or any ideas suggested by them. Those criteria 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 CPR (3d) 483 (FCTD) and *Gainers Inc v Marchildon* (1996), 66 CPR (3d) 308 (FCTD)]. I also refer to the judgments of the Supreme Court of Canada in *Veuve Clicquot Ponsardin v Boutiques Clicquot Ltée et al* (2006), 49 CPR (4th) 401 and *Mattel Inc v 3894207 Canada inc* (2006), 49 CPR (4th) 321 where Mr. Justice Binnie commented on the assessment of the criteria enumerated under section 6(5) of the Act.

[39] In its judgment in *Masterpiece Inc v Alavida Lifestyles Inc et al* 2011 SCC 27, the Supreme Court of Canada has clearly indicated that the most important factor amongst those listed under section 6(5) of the Act is often the degree of resemblance between the marks.

[40] The Applicant argued that there could not be any likelihood of confusion between the Mark and the Opponent's trade-marks as the Mark's dominant feature is the letter K together with the circle design. However phonetically there is some resemblance because of the common element "KEYSTONE" which is the Opponent's trade-mark and also a dominant feature of the Mark. There is a close connection between the Wares and the automotive wheels, which are either body part of automobiles or products used in the automotive industry, and the Opponent's services of offering for sale and selling similar wares through the aftermarket automotive industry. The evidence shows use of the Opponent's trade-mark KEYSTONE since at least June 1999.

[41] This is sufficient to conclude that the Applicant has not discharged its burden to prove, on a balance of probabilities, that there is no likelihood of confusion between the parties' respective trade-marks. Consequently, at the relevant date, the Mark was not distinctive of the Applicant in that it did not distinguish nor was it adapted to distinguish the Wares and the automotive wheels of the Applicant from the services of the Opponent in association with the trade-mark KEYSTONE previously used and made known in Canada.

[42] Consequently the fifth ground of opposition is maintained.

### Application Based on Use and Registration Abroad

[43] At the hearing the Applicant directed my attention to the fact that the application is also based on use and registration abroad. It suggested that the application could mature to registration on that single basis. However since the ground of opposition on distinctiveness has been successful, I fail to see how a trade-mark that has been ruled non-distinctive of an applicant could still mature to registration on the basis of use and registration abroad. If the Mark lacks distinctiveness it cannot be registered.

### Disposition

[44] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

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Jean Carrière  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office