

**IN THE MATTER OF AN OPPOSITION
by Canadian Tire Corporation, Limited to application
No. 632,947 for the trade-mark MASTERCRAFT
filed by Cooper Tire & Rubber Company**

On May 26, 1989, the applicant, Cooper Tire & Rubber Company, filed an application to register the trade-mark MASTERCRAFT for "tires" based on use and registration (No. 1,135,097) in the United States. The application was advertised for opposition purposes on March 21, 1990.

The opponent, Canadian Tire Corporation, Limited, filed a statement of opposition on April 10, 1990, a copy of which was forwarded to the applicant on May 2, 1990. The grounds of opposition include, among others, that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Trade-marks Act because it is confusing with the opponent's trade-mark MASTERCRAFT registered under No. UCA14694 for a long list of wares including tools, sporting equipment, camping equipment, household appliances, plumbing supplies, camping equipment and painting supplies.

The applicant filed and served a counter statement. As its evidence, the opponent filed the affidavits of William Rae Cowan and Lorne Bozinoff. As its evidence, the applicant filed the affidavits of Charles S. Mayer and Patrick Rooney. As evidence in reply, the opponent filed a second affidavit of Lorne Bozinoff. Messrs. Bozinoff, Mayer and Rooney were cross-examined on their affidavits and the transcripts of those cross-examinations and the subsequently filed replies to undertakings form part of the record of this proceeding.

By agreement of the parties, John M. Young was cross-examined on Mr. Cowan's affidavit and the transcript of that cross-examination and some of the subsequently filed replies to undertakings form part of the record. Additional replies to undertakings were filed on the basis that they be treated as confidential and not be placed on any public file. The Chairman of the Opposition Board returned those additional replies to the applicant's agents by letter dated September 21, 1992 in view of the fact that the Board did not have the means to maintain the confidentiality of such documents.

Both parties filed a written argument and an oral hearing was conducted on October 21, 1994 at which both parties were represented.

As a preliminary matter at the oral hearing, both parties requested leave pursuant to Rule 46(1) of the Trade-marks Regulations to file additional evidence. The applicant sought leave to file certified copies of foreign and Canadian trade-mark registrations and computer printouts of additional Canadian trade-mark registrations referred to in its written argument. As set out in the Opposition Practice Notice, leave to file additional evidence will only be granted if the Opposition Board is satisfied that it is in the interests of justice to do so having regard to all the surrounding circumstances including (1) the stage the opposition proceeding has reached; (2) why the evidence was not filed earlier; (3) the importance of the evidence; and (4) the prejudice which will be suffered by the other party.

The opponent had no objection to the filing of the certified copies of the foreign registrations and I therefore granted leave in respect of those documents. However, the opponent did object to the admission of the remaining materials. After hearing the submissions of both parties, I stated that the request was made at a very late stage in this proceeding and that the applicant could not satisfactorily explain why it had not made its request earlier. I further noted that the applicant had, in fact, made an incomplete request for leave to file these materials by its letter dated October 18, 1993. By letter dated November 30, 1993, the applicant was advised that its request was incomplete but it took no steps to rectify the matter. I also noted that, although the additional materials could have been of some relevance to the issues in the present proceeding, allowing their entry would have prejudiced the opponent who would have been deprived of the opportunity to challenge the evidence or to reply to it. Having weighed the various factors, I refused the applicant's request for leave in respect of the certified copies and computer printouts of Canadian trade-mark registrations.

The opponent sought leave to file the additional replies to undertakings arising from the Young cross-examination which had been returned to the applicant because of the request to treat them as confidential. The opponent indicated that it was waiving confidentiality in

the documents in question. After hearing the submissions of both parties, I indicated that the opponent's request came at a very late stage in this proceeding. I also noted that the request could have been made earlier although the fact that the evidence was previously subject to a confidentiality order of the Federal Court and that the Opposition Board could not accommodate requests to file confidential material was a partial explanation. I also noted that the evidence was potentially relevant to this opposition and that granting leave did not appear to prejudice the applicant because the evidence was originally the applicant's own evidence garnered from the cross-examination of the opponent's witness Mr. Young. Having weighed those factors, I found that it was in the interests of justice to admit the additional undertakings and I granted leave to the opponent pursuant to Rule 46(1).

The evidence of record establishes the following:

(1) The applicant has used its trade-marks FALLS and FALLS MASTERCRAFT for tires in the United States. However, there has been little, if any, use of those marks in Canada and there has been no spillover effect from the applicant's American advertising activities.

(2) The opponent has an extensive network of franchised dealers throughout Canada who operate stores under the opponent's trade-mark CANADIAN TIRE. Those stores sell a variety of merchandise including hardware and automotive supplies.

(3) The opponent sells a variety of wares in association with its registered trade-mark MASTERCRAFT. Sales have been very substantial. The opponent has also effected significant advertising of that mark through various means including the annual distribution of millions of catalogues.

(4) The opponent sells a significant number of tires through its stores and is the largest seller of replacement tires for motor vehicles in Canada. Tires are sold primarily in association with the opponent's trade-mark MOTOMASTER. No tires are sold in association with the opponent's trade-mark MASTERCRAFT.

(5) For the most part, the opponent has only sold its own brand of tires through its stores. However, in 1989 and 1990, the opponent did sell third party brands (B.F. GOODRICH and

GENERAL) as well but not to any significant extent. That practice was discontinued after 1990.

(6) The opponent sells its own brands of tires only through Canadian Tire stores. A cross-Canada survey conducted for the applicant (see the Mayer affidavit) established that 66% of the respondents thought that they could only purchase a Canadian Tire brand of tire through a Canadian Tire store. Seven per cent thought they could be purchased elsewhere and 27% didn't know.

(7) The Mayer survey also established that 58% of the respondents were familiar with the brand MASTERCRAFT. Of that group, 52% thought that tires were sold under that brand. Thus, approximately 30% of the respondents thought that tires were sold under the MASTERCRAFT brand, presumably by the opponent.

(8) The opponent also conducted a cross-Canada survey (see the first Bozinoff affidavit) which showed a very high correlation between the applicant's trade-mark and the opponent. That survey is open to some criticisms which lessen its weight somewhat. Nevertheless, it does show a striking connection in the minds of many consumers between the applicant's mark and the opponent.

(9) The additional undertakings arising from the Young cross-examination include tracking surveys conducted by the opponent in the ordinary course of its business. Since they are unaccompanied by supporting affidavits to attest to their accuracy and reliability, I cannot give them great weight. I would note, however, that they do serve to confirm a high recognition among the Canadian public for the opponent's trade-mark MASTERCRAFT.

Regarding the survey evidence of both parties, such evidence is admissible but care must be taken to ensure its reliability. As stated by Mr. Justice MacKay in Joseph Seagram & Sons v. Seagram Real Estate (1990), 33 C.P.R.(3d) 455 at 471 (F.C.T.D.):

The question of admissibility and reliability of surveys of public opinion polls has been the subject of debate in numerous trade mark cases. However, after considering the jurisprudence concerning the matter, I understand the general principle to be that the admissibility of such evidence and its probative value are dependant upon the relevance of the survey to the issues before the court and the manner in which the poll was conducted; for example,

the time period over which the survey took place, the questions asked, where they were asked and the method of selecting the participants.

It is preferable to design a survey that elicits a consumer's first impression by the use of open-ended questions such as "What do you think of when you see (or hear) this mark?" or "What word comes to mind when you see this mark?" This allows a respondent to reply in any number of ways. He might state that the mark reminds him of another mark, that it reminds him of a particular company, that he associates it with particular wares or services, that he associates it with a particular emotion or feeling, etc. Such a question should be followed up by one or more prompts in which the respondent is asked if there is anything else he thinks of when he sees the mark. This allows for a more complete assessment of the respondent's first impression which is the essence of the test for confusion. Both surveys, in this case, were somewhat deficient in following this approach.

Mr. Mayer criticised the Bozinoff survey on the basis that the first mark of the applicant shown to consumers (illustrated below) included not only the word MASTERCRAFT but also the word TIRES and that, given the opponent's dominance in the replacement tire field, many consumers would automatically think of the opponent regardless of the brand shown. Although there is some merit in Mr. Mayer's criticism, I do not consider that it severely colors the results of the Bozinoff survey. Furthermore, this criticism is contrary to the findings of Mr. Mayer's own survey which show that a very high percentage of respondents (66%) correctly thought that they could only buy a Canadian Tire brand tire in a Canadian Tire store. During the cross-examination of John M. Young, he indicated that, except for limited sales of third party tires in 1989 and 1990, the opponent has exclusively sold tires bearing its own trade-marks. Presumably, many consumers are also aware of this fact. Thus, most consumers are aware that the opponent sells only its own brand of tires through Canadian Tire stores and that it sells them exclusively through those stores.

Given that an equally high percentage (70%) of the respondents in the Bozinoff survey thought that the FALLS MASTERCRAFT TIRES & Design trade-mark was the opponent's mark and given that a significant portion of that group was aware of Canadian Tire's marketing practices respecting tires (in view of my conclusions above), it seems to follow that a number of the respondents reacted in the fashion they did because they thought MASTERCRAFT was a brand of the opponent's tires rather than because it was just any brand of tire. In other words, a significant portion of the respondents would not have had any reason to associate the trade-mark FALLS MASTERCRAFT TIRES & Design with the opponent unless they somehow associated FALLS or MASTERCRAFT with the opponent. It seems unlikely that the Bozinoff survey results would have shown as high a correlation with the opponent if the mark shown to the respondents was a mark other than the opponent's such as GOODYEAR, FIRESTONE or MICHELIN or even a fictional mark such as AARDVARK or ZEBRA.

As for the ground of opposition based on Section 12(1)(d) of the Act, the material time for considering the circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in Conde Nast Publications Inc. v. Canadian Federation of Independent Grocers (1991), 37 C.P.R.(3d) 538 at 541-542 (T.M.O.B.). 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.

Neither mark, however, is inherently strong since the word MASTERCRAFT has a somewhat laudatory connotation suggesting that the associated wares are masterly crafted or made by or for master craftsmen. Based on the evidence, I must conclude that the applicant's mark has not become known at all in Canada. The opponent's registered mark, on the other hand, has become very well known throughout Canada as shown by the opponent's sales and advertising figures and by the two surveys conducted.

The length of time the marks have been in use favors the opponent. The wares at issue are different; the registered wares comprise tools, plumbing supplies, painting supplies, appliances, etc. and the applicant's wares are tires. The trades of the parties, however, are somewhat similar since both sell tires. The applicant has submitted that it intends to sell its tires through independent tire dealers rather than through stores such as the opponent's. However, the applicant's statement of wares is not restricted in this fashion and I must conclude that the trades could overlap: see the decisions in Mr. Submarine Ltd. v. Amandista Investments Ltd. (1987), 19 C.P.R.(3d) 3 at 10-11 (F.C.A.) and Henkel Kommanditgesellschaft v. Super Dragon (1986), 12 C.P.R.(3d) 110 at 112 (F.C.A.).

As for Section 6(5)(e) of the Act, the marks at issue are identical.

As an additional surrounding circumstance, I have considered the fact that the opponent has sold a large number of tires over the years in association with its trade-mark MOTOMASTER. Since this mark also includes the word MASTER, the reputation associated with the opponent's mark MOTOMASTER increases the likelihood that consumers seeing another mark including the word MASTER in the marketplace for related wares will be confused.

As a further additional surrounding circumstance, I have considered the fact that the applicant was aware of the opponent's trade-mark MASTERCRAFT in 1987 and 1988 and took steps at that time to avoid selling and promoting its FALLS MASTERCRAFT tires in Canada because it perceived that the applicant could otherwise have a substantial legal

problem (see pages 51, 61 and 62 of the Rooney cross-examination and Exhibits 7, 9 and 11 thereto). This is some evidence that the applicant itself was concerned about the possibility of confusion arising between the marks at issue.

The applicant submitted that confusion is unlikely in the present case because the wares of the parties will not be sold in the same location. Although it is true that, to date, the opponent only sells its wares through its own stores, there is nothing precluding the opponent from selling its wares elsewhere in the future. Furthermore, even though the opponent has restricted its own trade to date, the Mayer survey shows that a total of 34% of the respondents either thought that the opponent's tires were also sold through other than Canadian Tire outlets (7%) or didn't know whether they were or not (27%). Thus, there is a potential for confusion in areas other than in the opponent's own stores. Furthermore, although the applicant submits that it only intends to sell its tires through particular outlets, if it obtains a registration for tires it will not be restricted to that particular channel of trade. Thus, the trades of the parties could potentially overlap.

The applicant further submits that, at least in respect of the opponent's stores, the opponent has control over whether or not it wishes to sell the applicant's tires and that presumably it will not do so. Although that may presently be true, the opponent conducts much of its business through independent franchisees, one or more of whom may choose in the future to carry the applicant's wares. Although the evidence of record suggests this possibility is not likely, nevertheless the test in Section 6(2) of the Act is what happens when the marks are used "in the same area." This is a theoretical test and it is not reliant on there being evidence of actual use of the marks at issue in the same area: see Oshawa Holdings Ltd. v. Fjord Pacific Marine Industries Ltd. (1981), 55 C.P.R.(2d) 39 at 43 (F.C.A.). Thus, I must also consider the effect that could arise if the applicant's tires were sold through the opponent's stores although the likelihood of this occurring seems remote at this time. In any event, it seems quite likely that the applicant's tires could be sold in stores or outlets adjacent to the opponent's stores.

In its written argument, the applicant sought to rely on the state of the trade-marks register to show the common use of the words MASTER and CRAFT as components of registered trade-marks. However, the applicant did not file any evidence of the registrations referred to and, in accordance with the opposition decision in Unitron Industries Ltd. v. Miller Electronics Ltd. (1983), 78 C.P.R.(2d) 244 at 253, I have not considered them. As noted above, the opponent was unsuccessful in obtaining leave to file such evidence.

In its written argument, the applicant also sought to rely on a short series of pairs of registered marks owned by different parties, one registered for tires and the other for motor vehicles. Again, the applicant did not evidence these registrations and I have not considered them. In any event, even if they were in evidence, they would not establish that the respective wares and trades involved are distinct: see the opposition decision in Saturn Sunroof Inc. v. General Motors Corporation (1989), 25 C.P.R.(3d) 343.

The applicant also submitted that the Canada-United States Free Trade Agreement should operate to defeat the opponent's opposition because the opposition is nothing more than an anti-competitive strategy designed to deny the applicant fair access to the replacement tire market in Canada. On the contrary, it would appear that the opposition is a legitimate exercise of the opponent's rights under the Trade-marks Act to protect its own interests and those of the Canadian public. This opposition has no bearing on the applicant's access to the Canadian market and the applicant's argument based on the Free Trade Agreement only serves to cloud the real issues in this case.

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 identity between the marks at issue, the similarities in the natures of the trades, the fame associated with the opponent's registered mark and the potential for confusion evidenced by both surveys, I find that the applicant has failed to satisfy the onus on it to show that its trade-mark is not confusing with the opponent's registered trade-mark MASTERCRAFT.

The ground of opposition based on Section 12(1)(d) of the Act is therefore successful and the remaining grounds need not be considered.

In view of the above, I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 30th DAY OF NOVEMBER 1994.

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