



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

Citation: 2013 TMOB 32
Date of Decision: 2013-02-18

**IN THE MATTER OF AN
OPPOSITION by Canadian Tire
Corporation, Limited to application
No. 1,390,371 for the trade-mark
PARTSFORCE in the name of
Partsforce Automotive Inc.**

FILE RECORD

[1] On April 8, 2008, Partsforce Automotive Inc. filed an application to register the trade-mark PARTSFORCE, based on proposed use in Canada, in association with:

information services, namely, providing databases, statistics and forecasts regarding market trends for automotive parts via telecommunications networks.

The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated March 11, 2009 and was opposed by Canadian Tire Corporation, Limited on May 4, 2009. The Registrar forwarded a copy of the statement of opposition to the applicant on May 28, 2009, as required by s.38(5) of the *Trade-marks Act*. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition.

[2] The opponent's evidence consists of the affidavit of Andrea Ongaro. The applicant's evidence consists of the affidavit of Charles Grahn. Mr. Grahn was cross-examined on his affidavit, the transcript thereof, exhibits thereto and replies to

undertakings forming part of the evidence of record. Only the opponent filed a written argument and only the opponent was represented at an oral hearing held on January 14, 2013.

STATEMENT OF OPPOSITION

[3] The opponent pleads that it is the owner of the registered mark PARTSOURCE, and numerous other registered marks comprised in part of the word component PARTSOURCE, covering

credit card services and the retail and wholesale sale of automotive parts and accessories.

[4] Various grounds of opposition are pleaded, however, the determinative issue for decision is whether the applied-for mark PARTSFORCE is confusing with the opponent's mark PARTSOURCE. The material times to consider the issue of confusion are the date of decision, with respect to the ground of opposition alleging non-registrability; the date of filing, that is, April 8, 2008, with respect to the ground of opposition alleging non-entitlement; and the date of opposition, that is, May 4, 2009, in respect of the ground of opposition alleging non-distinctiveness: for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v. Canadian Retired Persons* (1998), 84 CPR(3d) 198 at 206 - 209 (FCTD).

OPPONENT'S EVIDENCE

Andrea Ongaro

[5] Ms. Ongaro identifies herself as a senior executive with the opponent company. The opponent has since 1998 been selling its auto parts to PARTSOURCE stores which sell them to the public. PARTSOURCE stores are automotive specialty stores which stock a multitude of automotive parts and have access to thousands of automotive parts available for delivery. Commercial automotive installers account for 40% of the opponent's business, that portion being wholesale in nature. The remaining 60% of the opponent's business relates to retail customers. The inventory of each store is tailored to the vehicle population of the area served by that store. The stores sell automotive parts and accessories and do not sell other items. As of October 2009, the opponent was

operating eighty-seven PARTSOURCE stores in cities across Canada: 13 in Alberta; 6 in Manitoba; 59 in Ontario; 6 in Saskatchewan; and 3 in Nova Scotia. Each store is about 7,200 square feet, is staffed by experienced automotive professionals, stocks about 16,000 parts and has access to 60,000 parts for same day delivery. Each store has outside signage displaying the opponent's registered marks.

[6] The opponent operates a website at www.partsource.com. The site clearly displays the mark PARTSOURCE and contains information about products and services offered to the public as well as tips on do-it yourself vehicle maintenance.

PARTSOURCE services have been promoted via flyers (millions each year since 2003), radio and television commercials and other promotional materials.

APPLICANT'S EVIDENCE

Charles Grahn - affidavit

[7] Mr. Grahn identifies himself as the President of the applicant company. The applicant's business is described in paragraph 2 of his affidavit, shown below:

Partsforce Automotive is an application service provider ("ASP") that offers senior managers and executives of collision parts manufacturers and their licensed dealers or distributors with an online statistical forecasting tool to identify future demand for more than 50,000 collision parts (fenders, hoods, bumpers, lamps, mirrors) and the wherewithal to communicate stock [auto parts] prices to insurance company damage appraisers or other agents . . .

[8] The applicant does not stock auto parts nor does it wholesale or retail auto parts or provide repair services. The applicant's service only became feasible in about 2004 through the efforts of the automotive collision repair industry to create standardized formats and content of data related to collision repairs. The applicant was incorporated in British Columbia in 2006 and began marketing its services over the Internet to collision industry participants in the United States. In the same year the applicant filed an application (No.1,300,161) in Canada to register its mark PARTSFORCE for the following services:

automotive services, namely, providing online databases and information about automobile parts and the purchase and sale of automobile parts via telecommunications networks for advertising and sales purposes.

[9] Application No.1,300,161 was opposed by the opponent herein and was subsequently abandoned. The applicant filed the instant application with the applicant's services more specifically defined "such that the application would be unlikely to be the subject of an opposition."

[10] The "collision parts" marketplace that the applicant services is different from the "mechanical" marketplace. In this regard, repairs after a collision are usually associated with an insurance claim. The parts needed for the repair are selected or approved by an agent of the insurer and the cost of the repair is borne by the insurer. By contrast, in the mechanical marketplace vehicles require servicing at predictable intervals because parts wear out at predictable intervals. Companies that service the mechanical marketplace "customarily ascertain variety[sic] of vehicles in their local market and their age, and stock the corresponding parts." In other words, the mechanical marketplace will stock parts according to the local "vehicle population." According to Mr. Grahn, the mechanical marketplace is easier to analyse than the collision marketplace which requires access to "large sums of collision industry data."

[11] Exhibit G of his affidavit is a sales brochure which describes the applicant's service as follows:

PARTSFORCE allows vendors to see what people in other industries take for granted, the ability to know what their customers want . . .

It allows users to compare their inventory against a database of the most frequently ordered collision parts, market list prices, and other information. This data is useful to plan stock purchases, to identify inventory that is or may become idle, and highlight areas where further marketing could have its greatest impact.

[12] The greater part of the collision parts market consists of parts manufactured by the original equipment manufacturers, that is, OEM parts, and then sold through their licensed dealer network. The applicant's customers for its PARTSFORCE service include Ford Motor Company, Nissan Motor Company, General Motors "and nearly every other brand present in North America." The applicant participates in various collision industry associations and has promoted certification standards for aftermarket collision products.

[13] The applicant has no customers in Canada and has never solicited sales of its services in Canada. The applicant has "at no time been a licensee of all the data required

to offer its service in Canada.” However, the applicant does intend to expand into Canada.

[14] Mr. Grahn identifies numerous third parties selling auto parts under trade-marks or trade-names which include the components PART and SOURCE, however, many of those parties appear to be based outside of Canada. No evidence of actual sales in Canada by those parties has been provided, nor was any additional information concerning third party sales elicited at cross-examination.

Charles Grahn - Transcript of Cross-Examination

[15] At page 6 of the transcript of cross-examination, Mr. Grahn explains that the types of automotive parts that the applicant is concerned with are those that cease to work because they have received some sort of trauma - usually as a result of a collision event - rather than ceasing to work because they wear out. Collision related parts would include sheet metal pieces, bumpers, fenders, bumper covers and the absorber behind the bumper cover.

[16] At page 12 of the transcript of cross-examination, Mr. Grahn elaborates on the differences in the description of the services specified in the applicant’s first filed application (No.1,300,161, referred to in para. 9, above) and the present application:

Q . . . Isn't it true, however, that the services listed in your original application are more representative of what you actually do in association with the Partsforce name?

A No, I don't believe so. Do you want me to elaborate?

Q Please.

A I think it's ambiguous in the first application whether the phrase "purchase and sale of automobile parts" refers to marketplace dynamics or whether I intended to specifically engage directly in the purchase and sale of automobile parts.

Q Okay.

A It's for that reason that I thought, even if I was inclined to invest the effort to further defend for that application, that the likelihood was that it was probably not as thoughtfully prepared, the claim, as it could have been, given all the facts as I subsequently learned them to be.

Q I see. Are the services as you described them in your old application indicative of what Partsforce does?

A I think if you can construe the purchase and sale of automobile parts to -- I mean not re --wholesale or retail parts, but rather to -- with a generous interpretation of the claim, it could, I agree. However, I believe that I remedied that through the description of the services in the current application.

So I think the current application is most representative of what Partsforce does.

It is clear from the applicant's evidence that the applicant provides various types of information about "collision parts" to automobile manufacturers and to automobile dealers, but that the applicant does not sell any automotive parts.

LEGAL ONUS AND EVIDENTIAL BURDEN

[17] The legal onus is on the applicant to show that the application does not contravene the provisions of the *Trade-marks Act* as alleged by the opponent in the statement of opposition. The presence of a legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant. However, there is also, in accordance with the usual rules of evidence, an evidential burden on the opponent to prove the facts inherent in its allegations pleaded in the statement of opposition: see *John Labatt Limited v. The Molson Companies Limited*, 30 CPR (3d) 293 at 298 (FCTD). The presence of an evidential burden on the opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist.

MAIN ISSUE & MATERIAL DATES

[18] As has been noted earlier, the main issue in this opposition is whether the applied- for mark PARTSFORCE is confusing with the opponent's mark PARTSOURCE. The legal onus is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of s.6(2) of the *Trade-marks Act*, shown below, between the applied-for mark and the opponent's mark:

The 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 . . . or performed by the same person, whether or not the wares or services . . . are of the same general class.

[19] Thus, s.6(2) does not concern the confusion of the marks themselves, but confusion of goods or services from one source as being from another source. In the

instant case, the question posed by s.6(2) is whether there would be confusion of the applicant's services provided under the mark PARTSFORCE as services emanating from or sponsored by or approved by the opponent.

TEST FOR CONFUSION

[20] The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are "all the surrounding circumstances including" those specifically mentioned in s.6(5)(a) to s.6(5)(e) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive and all relevant factors are to be considered. Further, all factors do not necessarily have equal weight as the weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 CPR(3d) 308 (FCTD). However, as noted by Mr. Justice Rothstein in *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 92 CPR(4th) 361 (SCC), although the degree of resemblance is the last factor cited in s.6(5), it is the statutory factor that is often likely to have the greatest effect in deciding the issue of confusion.

Consideration of s.6(5) Factors

inherent and acquired distinctiveness; length of time in use

[21] The opponent's mark PARTSOURCE possesses a relatively low degree of inherent distinctiveness as it is comprised of two dictionary words in common usage, that is, PART and SOURCE. Further, the mark is highly suggestive, if not descriptive, of the opponent's service of providing automotive parts. The applied-for mark is also comprised of two dictionary words in common usage, however, the second component FORCE is not related to the applicant's services. The applied-for mark is still a relatively weak mark, but not as weak as the opponent's mark. I am prepared to infer from Ms. Ongaro's evidence that the opponent's mark PARTSOURCE had acquired a significant reputation in Canada at all material times. Of course, the applied-for mark is a proposed use mark

and would not have acquired any reputation in Canada at the earliest material date which is the date of filing the application. There is no evidence that the applied-for mark acquired any reputation in Canada at the later material dates. Thus, the first factor in s.6(5), which is a combination of inherent and acquired distinctiveness, favours the opponent owing to the acquired distinctiveness of its mark through use and advertising. Further, the acquired distinctiveness of the opponent's mark PARTSOURCE is fairly significant and entitles the opponent's mark to a wider ambit of protection than is ordinarily accorded to an inherently weak mark. The length of time that the marks have been in use also favours the opponent who had been using its mark PARTSOURCE for about eight years prior to the filing of the subject application.

nature of the parties' services, businesses and trades

[22] In comparing the services, businesses and trades of the parties, it is the applicant's statement of services in the subject application and the opponent's statement of services in its trade-mark registrations that govern: see *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 CPR(3d) 3 at 10-11 (FCA), *Henkel Kommanditgesellschaft v. Super Dragon* (1986), 12 CPR(3d) 110 at 112 (FCA) and *Miss Universe, Inc. v. Dale Bohna* (1994), 58 CPR(3d) 381 at 390-392 (FCA). However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. In this regard, evidence of the actual trades of the parties is useful: see *McDonald's Corporation v. Coffee Hut Stores Ltd.* (1996), 68 CPR(3d) 168 at 169 (FCA).

[23] In the instant case, the evidence of record discloses differences between the parties' services, businesses and trades. The opponent is mainly a supplier of auto parts in the "mechanical marketplace" while the applicant is a supplier of information (e.g., demand, pricing, specifications) about auto parts in the "collision marketplace." The applicant provides information, via its website, about collision marketplace auto parts to original equipment manufacturers, and their licensed dealers, who are involved in supplying OEM parts for repairs of collisions. The applicant provides this specialized service to clients in the United States and intends to expand its business into Canada.

[24] However, the opponent also supplies information, via its website, about auto parts, including some “collision parts,” to commercial accounts which comprise a significant portion of the opponent’s business. The applicant does not provide all of the same type of information as the opponent (no statistics and no forecasts regarding demand trends) but the applicant does provide some of the same type of information, for example, parts specifications and pricing. Thus, there is at least some overlap in businesses and trades of the parties. Further, the services as set out in the subject application do not indicate that the services are intended for a restricted client base, that is, suppliers of OEM parts and their licensed dealer network, or that the services focus on OEM parts, or that the services are restricted to the collision marketplace. Thus, there is potential for further overlap between the opponent’s services and those specified in the subject application. The third and fourth factors, considered together, favour the applicant, but only to a limited extent.

degree of resemblance

[25] The parties’ marks PARTSOURCE and PARTSFORCE resemble each other to a fair degree in appearance and in sounding but less so in ideas suggested. The resemblance in appearance and sounding is attributable to the shared first portion of the marks namely, the component PART, and the rhyming suffixes SOURCE and FORCE. There is less resemblance in ideas suggested owing to the different meanings of the suffixes.

[26] Ordinarily, it is the first portion of a mark that is considered the more important for the purposes of distinction: see *Conde Nast Publications Inc. v. Union Des Editions Modernes* (1979) 26 CPR(2d) 183 at 188 (FCTD). However, when the first or dominant portion of a mark is a common descriptive word, its importance diminishes: see *Vancouver Sushman Ltd. v. Sushiboy Foods Co.* (4th) 22 CPR (4th) 107 (TMOB). In the instant case, the component PART would be perceived as a reference to “automobile parts” and therefore the importance of the first component is further diminished owing to its descriptive nature.

[27] When marks are inherently weak, comparatively small differences will suffice to distinguish one mark from another: see *GSW Ltd. V. Great west Steel Industries Ltd.*

(1975), 22 CPR(2d) 154 (FCTD). In the instant case, the differences between the marks in issue in their second components, that is, SOURCE and FORCE, and the diminished importance of the first component PART, tend to mitigate the resemblance between the parties' marks in appearance and in sounding. Thus, the last factor favours neither party or possibly slightly favours the applicant.

DISPOSITION

[28] Having regard to the above, and considering in particular that the opponent's mark, owing to its acquired distinctiveness, is entitled to a wider ambit of protection than is ordinarily accorded to an inherently weak mark, that there is at least some overlap in the parties' services and potential for greater overlap, and without the benefit of argument from the applicant, I find that at all material times the applicant has not met the legal onus on it to show, on a balance of probabilities, that there is no reasonable likelihood of confusion between the applied-for mark PARTSFORCE and the opponent's mark PARTSOURCE.

[29] The application is therefore refused. This decision has been made pursuant to a delegation of authority under s.63(3) of the *Trade-marks Act*.

[30] I would add that the outcome of this proceeding might have favoured the applicant had the subject application indicated that the services are intended exclusively for OEM manufacturers (and their licensees) to provide information exclusively on OEM collision marketplace parts.

Myer Herzig,
Member, Trade-marks Opposition Board
Canadian Intellectual Property Office