

IN THE MATTER OF OPPOSITIONS
by Hystar Aerospace Development
Corporation to applications Nos.
570,282 and 570,283 for the trade-
marks HI-STAR and HISTAR filed by
621383 Ontario Limited doing
business as Crate's Dryland Yacht
Sales and subsequently assigned to
Hi-Star Marine Co., Ltd.

On October 1, 1986, 621383 Ontario Limited doing business as Crate's Dryland Yacht Sales filed applications to register the trade-marks HI-STAR and HISTAR based on proposed use in Canada with "yachts, cruisers, cabin cruisers" and with the following services:

custom designing and installing interiors,
fittings, equipment and engines for yachts,
cruisers and boats, for others.

Both applications were advertised for opposition purposes on March 4, 1987.

The opponent, Hystar Aerospace Development Corporation, filed essentially identical statements of opposition respecting each application on April 3, 1987. The first ground of opposition in each case is that the application does not comply with the provisions of Section 30 of the Trade-marks Act (presumably Section 30(a)) because "...the services referred to in the application are not true services provided apart from the mere selling of wares."

The second ground of opposition in each case is that the applicant is not the person entitled to registration pursuant to Section 16(3) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the trade-mark HYSTAR previously used in Canada by the opponent in association with "air vehicles, parts and accessories therefor" and with the following services:

entertainment services provided as part of or
ancillary to promotional services provided to
others.

The third ground of opposition in each case is that the applicant is not the person entitled to registration pursuant to Section 16(3) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the opponent's trade-mark HYSTAR for which an application (No. 548,843) had previously been filed. The fourth ground in each case is that the applied for trade-mark is not distinctive in view of the foregoing.

The applicant filed and served a counter statement in each case. As its evidence in each opposition, the opponent filed the affidavit of George Ninkovich. The applicant filed the affidavit of Chang Chia-Hao. Both parties filed written arguments and an oral hearing was conducted at which only the applicant was represented.

By a document dated December 5, 1988, both applications were transferred from the original applicant to Hi-Star Marine Co., Ltd. The transfer was recorded on April 7, 1989.

At the oral hearing, the agent for the applicant requested that the applications be amended to delete the services. Those amendments were accepted and have been made of record.

Since the applications no longer include services, the first ground of opposition in each case is inapplicable. That ground would have been unsuccessful, in any event, since the opponent failed to file evidence on point.

At page 4 of its written argument in each case, the opponent made the following assertions:

At the time of filing of the above-identified application, the original Applicant, Crate's Dryland Yacht Sales apparently did not intend to use the mark, but was merely a potential customer of the actual trade mark owner, Hi-Star Marine Co. Ltd. Accordingly, the statement of intended use in the application as originally filed was erroneous and the application did not comply with Section 29 (now section 30).

It would appear that the opponent was attempting to rely on a ground of opposition of non-compliance with Section 30(e) of the Act or possibly Section 30(i). However, no such ground was raised in the statements of opposition and I am therefore precluded from considering it: see Imperial Developments Ltd. v. Imperial Oil Ltd. (1984), 79 C.P.R. (2d) 12 (F.C.T.D.). I would note in passing, however, that if such a ground had been raised it might well have been successful. The evidence of record is consistent with Hi-Star Marine Co., Ltd. being the owner and user of the trade-marks at all material times and the original applicant being merely a Canadian distributor.

As for the second ground of opposition in each case, there was an evidential burden on the opponent to show use of its trade-mark in Canada prior to the applicant's filing date. The Ninkovich affidavit fails to clearly meet that burden and consequently the second ground is unsuccessful.

As for the third ground in each case, the opponent has failed to evidence the application it seeks to rely on. However, in accordance with the opposition decision in Royal Appliance Mfg. Co. v. Iona Appliances Inc. (1990), 32 C.P.R. (3d) 525 at 529, I have checked the Trade-marks Office records. Application No. 548,843 for the trade-mark HYSTAR was filed by the opponent on September 9, 1985, that date being prior to the applicant's filing date. Furthermore, the opponent's application was pending as of the applicant's advertisement date in compliance with Section 16(4) of the Act. The application, as filed, was for "air vehicles, parts and accessories therefor and hangers for air vehicles."

In view of the above, the third ground remains to be decided on the issue of confusion between the marks. The material time for considering the circumstances is as of the applicant's filing date in accordance with the clear wording of Section 16(3) of the Act. Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion. 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.

The marks of both parties are inherently distinctive although the opponent's mark has perhaps a slight suggestive connotation when used in association with air vehicles. As of the material time, neither mark had any acquired reputation in Canada.

The length of time the marks have been in use is not a material circumstance in these cases. The wares of the parties are completely different. The opponent's wares are essentially airships and airship hangers. The applicant's wares, on the other hand, are expensive boats. It is also noteworthy that the wares of both parties comprise very expensive items. Thus, much more care would be given in purchasing such items.

The evidence of record shows that the trades of the parties are entirely different. The applicant's wares are directed to a particular consumer market, namely, those who can afford luxury boats. The opponent's wares, on the other hand, are directed to commercial and industrial users. As far as the opponent's particular trade, it would appear that it uses its blimps primarily as promotional and advertising vehicles for others at trade shows and the like in the United States and possibly in Canada.

As for Section 6(5)(e) of the Act, the marks of the parties are phonetically identical. Visually, all three marks are virtually identical. The ideas suggested by all three marks are the same.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. This consideration, however, is mitigated to a great extent by the fact that the wares at issue are very expensive. Thus, greater care would be taken by prospective purchasers when purchasing these items and a greater degree of discrimination could be expected. Thus, notwithstanding the high degree of resemblance between the marks at issue, I find that the applicant has satisfied the onus on it to show that its marks are not confusing with the opponent's mark as a consequence of (1) the differences between the wares and trades of the parties, (2) the fact that the wares are very expensive and (3) the absence of any acquired reputation for the opponent's mark in Canada. The third ground of opposition in each case is therefore unsuccessful.

As for the final ground of opposition in each case, the material time for considering the circumstances respecting the issue of non-distinctiveness is as of the filing of the opposition. The Ninkovich affidavit is very sketchy as to the opponent's activities in Canada in relation to its trade-mark HYSTAR. It would appear that the opponent's blimps may have been used at trade shows in Canada but Mr. Ninkovich does not provide sufficient information to make any definite conclusions on point. Since the opponent has failed to evidence any measurable reputation for its mark in Canada as of the material time, I find that the opponent has failed to meet its evidential burden respecting its ground of non-distinctiveness. The fourth ground of opposition in each case is therefore unsuccessful.

In view of the above, I reject the opponent's oppositions to applications Nos. 570,282 and 570,283.

DATED AT HULL, QUEBEC, THIS 28th DAY OF June, 1991.

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