

IN THE MATTER OF AN OPPOSITION
by Toyota Motor Corporation to
application No. 542,341 for the
trade-mark GTI filed by
Volkswagenwerk Aktiengesellschaft

On May 22, 1985, the applicant, Volkswagenwerk Aktiengesellschaft, filed an application to register the trade-mark GTI for "automobiles and motor vehicles" based on use in Canada since March 1, 1979. The application was advertised for opposition purposes on November 20, 1985.

The opponent, Toyota Motor Corporation, filed a statement of opposition on December 19, 1985 and a revised statement of opposition on February 18, 1986. A copy of the revised statement was forwarded to the applicant on April 4, 1986.

The first ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(b) of the Trade-marks Act because it clearly describes "Grande Touring automobiles with fuel injected engines." The second ground is that GTI is not registrable pursuant to Section 12(1)(c) of the Act because it is the name of "Grande Touring fuel injected automobiles and motor vehicles, or automobiles otherwise having an enhanced sporting character or appearance."

The third ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(e) of the Act because it has become recognized as designating the type of vehicle described above. The fourth ground is that the applied for trade-mark does not distinguish the applicant's wares from those of others including those of the opponent and those of other manufacturers such as Citroen and Peugeot. There was a fifth ground of opposition based on Section 16 of the Act but it was subsequently withdrawn by the opponent in its written argument.

The applicant filed and served a counterstatement. As its evidence, the opponent filed the affidavits of Nicole Brousseau, Terry A. Begin and Jim Kenzie. Mr. Kenzie was cross-examined on his affidavit and the transcript of that cross-examination forms part of the record of the present proceeding.

As its evidence, the applicant filed the affidavit of Frank Farsky. Mr. Farsky was cross-examined on his affidavit and the transcript of that cross-examination and the subsequently filed answers to undertakings form part of the record of this opposition. Both parties filed written arguments and an oral hearing was conducted at which both parties were represented.

As for the opponent's first ground of opposition, the material time for considering the circumstances is as of the applicant's filing date. The test to be applied respecting Section 12(1)(b) of the Act is the first or immediate impression the trade-mark makes on an everyday user of the wares. The onus or legal burden is on the applicant to show that its trade-mark does not offend the provisions of Section 12(1)(b). However, there is an evidential burden on the opponent to prove the allegations of fact underlying this ground.

The evidence does establish that the abbreviation GTI has, in the past, been used

to designate a certain type of touring automobile. In more recent years, the letters GT have been commonly used by different manufacturers to designate a sportier version of a particular model of automobile. The applicant basically concedes this point (see pages 3 and 8 of the applicant's written argument).

The evidence does not establish the opponent's second contention, namely that the letter I in the applicant's trade-mark GTI clearly describes an automobile with a fuel injected engine. Mr. Kenzie states in paragraph 7 of his affidavit as follows:

If the letter "i" (or "I", which is used interchangeably) is used as part of a model name, it is usually intended to mean, if it means anything, that the vehicle is equipped with a fuel injected engine.

However, Mr. Kenzie is an expert in the automotive field and it is apparent that he has detailed knowledge of meanings that auto manufacturers might ascribe to the various acronymic model designations they use. But there is nothing in evidence to suggest that there are any common standards applied by the manufacturers in creating these designations. (Mr. Kenzie himself states that the letter "e" is also used to designate models with fuel injected engines.) More importantly, there is insufficient evidence to allow one to conclude that the average car purchaser would have any idea as to what the letter I stands for when used as a model designator. As Mr. Kenzie himself recognizes, the letter I used as part of a model designator may mean nothing at all.

Mr. Kenzie also states that the letters GTI have come to be regarded as identifying a particular generic class of automobiles comprising sporty subcompacts with fuel injected engines. He states (in paragraph 11 of his affidavit) that

Such cars include the AMC-Renault Encore GS (now the Renault GTA), the Volkswagen GTI, and the Ford Escort GT....

Mr. Kenzie's statement serves, however, to undermine his conclusion about a generic class of automobiles. Apart from the applicant's Volkswagen GTI, Mr. Kenzie's examples of domestic Canadian models do not use the supposed generic descriptor GTI.

The opponent has also attempted to evidence widespread use of the letters GTI by others. However, apart from minor sales of two third party models (one in the late 1970's and the other in the early 1980's), the applicant's evidence consists essentially of a few references to foreign vehicles in magazine and newspaper articles. Without properly evidenced circulation figures for the magazines in question, I cannot conclude that any significant number of Canadians had become aware of the references to foreign vehicles using GTI as a model designation.

As admitted by Mr. Farsky on cross-examination, other manufacturers have used the letters GT and some have used the letter I in combination with other letters and numbers. Thus, the applicant's mark is inherently very weak. Essentially, the applicant has added the letter I to a descriptive designation, namely the letters GT. The applicant may get no reward for ingenuity but it has created a coined mark, however weak. On my review of the evidence, the opponent has failed to make out its contention that the letters GTI are clearly descriptive of a particular type of automobile. Thus, the first ground of opposition is unsuccessful.

From the foregoing, it follows that the opponent's second ground of opposition is also unsuccessful. If the letters GTI are not clearly descriptive of automobiles, they also cannot be the name of the wares in either French or English. Since the opponent has not evidenced a meaning for GTI in any other language, the prohibition in Section 12(1) (c) of the Act is not offended.

Likewise, the third ground of opposition is also unsuccessful. As discussed above, there were only minor third party sales of other models using GTI as a descriptor and these sales ended well before the applicant's filing date. The Farsky affidavit establishes that the applicant's sales and advertising of its own vehicles in association with its trade-mark GTI have been substantial for the period 1979 to 1987. Thus, the Canadian public has been educated to associate GTI with the applicant's automobiles. The evidenced uses of the letters GTI on the applicant's automobiles and in its product literature are consistent with those letters functioning as the applicant's mark. Any evidence tending to show the letters functioning generically is minimal, at best.

The final ground of opposition is to be assessed as of the filing of the opposition. As of that date, the applicant had effected significant sales and advertising in association with its mark GTI. Any third party uses of those letters in Canada were minor at best and, in any event, had long since ceased. The cross-examination of the opponent's own affiant serves to confirm this (see pages 5-6 of the Kenzie transcript).

As discussed above, the effect of several magazine and newspaper references to foreign uses of the letters GTI as a model designator is negligible. This is especially true in light of the absence of proper evidence as to the Canadian circulation (if any) of the publications in question. Thus, I find that the applicant has satisfied the onus or legal burden on it to show that its mark is distinctive of its wares. Although the mark is inherently weak (given the historical meaning and common use of the letters GT), it has acquired significant distinctiveness in fact in the hands of the applicant. The fourth ground of opposition is therefore also unsuccessful.

In view of the above, I reject the opponent's opposition.

DATED AT HULL, QUEBEC, THIS 31st DAY OF AUGUST 1990.

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