

IN THE MATTER OF EIGHT OPPOSITIONS by
Compagnie Générale des Établissements Michelin -
Michelin & Cie to application Nos. 681,271; 681,274;
681,275; 681,282; 681,286; 681,290 for the trade-marks
XP2000; XP2000 AS; XP 2000H; XP2000 MS; XP 2000V;
XP 2000Z, respectively, and application Nos. 681,261;
681265 for the marks AMERI WAY XT & Design and
AMERI XL 4 & Design , respectively, filed by General
Tire Canada Inc.

This decision relates to eight trade-mark applications filed by General Tire Canada Inc. (hereinafter “General”) on May 2, 1991 for the marks XP2000; XP2000 AS; XP 2000H; XP2000 MS; XP 2000V; XP 2000Z; AMERI WAY XT & Design; and AMERI XL 4 & Design. Each application is based on use in Canada; the earliest date of use claimed is December 31, 1983 and the latest date of first use claimed is January 31, 1990. The pleadings, issues, and evidence in each case are fairly similar. Application No. 681, 271 for the mark XP2000 is fairly representative of the group of applications and I will therefore begin with a detailed consideration of that case.

The application to register the trade-mark XP2000 is based on use of the mark in Canada since at least as early as July 1985 in association with tires. The subject application was advertised for opposition purposes in the Trade-marks Journal issue dated December 11, 1991 and was opposed by Compagnie Générale des Établissements Michelin - Michelin & Cie (hereinafter “CGEM”) on April 9, 1992. A copy of the statement of opposition was forwarded to the applicant on June 2, 1992. The applicant responded by filing and serving a counter statement. The opponent subsequently requested, and was granted, leave to amend its statement of opposition: see the Board ruling dated January 22, 1993.

The first ground of opposition is that the application is not in compliance with Section 30 of the Trade-marks Act because (i) the applicant never used the applied for

mark, (ii) alternatively or additionally, the applicant abandoned its mark in whole or in part, (iii) the applicant's assertion that it is satisfied that it is entitled to use the mark is false.

The second ground of opposition, pursuant to Section 12(1)(d), is that the applied for mark is not registrable because it is confusing with one, or more, of the opponent's registered marks covering car tires and inner tubes. In this regard, the opponent is relying on some 35 registered marks including the mark X. The other registered marks relied on by the opponent are comprised of the letter X followed by another letter including, for example, XF, XK, XB, XY, and XX; the letter X followed by two other letters including, for example, XZZ, XWX, XRD, XKD, and XAS; and marks comprised of the letter X but not as a prefix. These latter marks are TRX, MX, EP-X, and MXM. The opponent refers to its above mentioned marks as "X" marks and I will do likewise.

The third ground of opposition, pursuant to Section 16(1)(a), is that the applicant is not entitled to use the applied for mark because at the date of first use of the mark XP2000, it was confusing with the opponent's "X" marks previously used or made known in Canada by the opponent or its predecessors in title. The opponent has also included a second part to the third ground which merely parallels its prior pleadings and is therefore redundant.

The fourth and final ground of opposition alleges that the applied for mark is not distinctive of the applicant's wares (i) in view of the opponent's use and making known of its marks, and because (ii) rights to use the applied for mark exist in two or more persons as a result of an assignment and those persons have exercised those rights concurrently, (iii) the applicant permitted third parties to use the applied for marks however such use was not licensed use in compliance with Section 50 of the Act.

The opponent's evidence in chief consists of the affidavit of Michel Savard, an employee of and counsel to a Canadian subsidiary ("Michelin Canada") of the opponent company. Michelin Canada is the opponent's exclusive distributor of tires in Canada. The applicant's evidence consists of the affidavits of Jeff Hazelgrove, an employee of the applicant company, and of Robert William Sterling, a trade-mark agent. The opponent's reply evidence consists of the affidavits of Robert Hiebel, an executive of the opponent company, and the affidavit of Nancy Hubert, a researcher employed by the agents for the opponent. The jurat in Mr. Hiebel's affidavit has been left blank, however, both parties treated the affidavit as duly sworn and I have therefore done likewise. Both parties filed a written argument and both were represented at an oral hearing.

The first ground of opposition is rejected as there is no evidence of record to put the first ground in issue. The second and third branches of the fourth ground of opposition are rejected for the same reason. The remaining grounds of opposition turn on the issue of confusion between the applied for mark and one, or more, of the "X" marks relied on by the opponent in the statement of opposition. The material date to consider the issue of confusion is the date of my decision with respect to the ground of opposition pursuant to Section 12(1)(d); the date of first use of the applied for mark (i.e.-July 31, 1985) with respect to the second ground pursuant to Section 16(1)(a); and the date of opposition (i.e.-April 9, 1992) with respect to part (i) of the fourth ground of opposition alleging that the applied for mark is not distinctive. In the circumstances of this case, nothing turns on which material date is chosen. However, the opponent's case is strongest at the earliest material date, that is, when the applicant first began to use its mark. A consideration of the issue of confusion pursuant to Section 16(1)(a) will therefore effectively decide the outcome of this case.

In view of the provisions of Sections 16(1) and 16(5) of the Act, it was incumbent

on the opponent to evidence the use of its “X” marks prior to the applicant's date of first use and to show that its “X” trade-marks were not abandoned as of the applicant's date of advertisement (i.e.-December 11, 1991). I find that a fair reading of Mr. Savard’s affidavit satisfies the above requirements, at least in the absence of cross-examination.

The legal onus is on the applicant to show no reasonable likelihood of confusion. 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, within the meaning of Section 6(2) of the Act, are set out in Section 6(5) 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; all relevant factors are to be considered. All factors do not necessarily have equal weight. The weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (March 12, 1996, T-1530-94, yet unreported).

The opponent’s “X” marks do not possess a high degree of inherent distinctiveness since they are comprised of letters of the alphabet. Similarly, the applied for mark XP2000 does not possess a high degree of inherent distinctiveness since it is comprised of letters and numbers. I am satisfied from Mr. Savard’s unchallenged and uncontradicted evidence that the opponent sells motor vehicle tires under each of its registered marks. However, there is no breakdown in his evidence regarding the amount of sales under each individual mark. Rather, global figures are provided namely, at least \$100 million in sales annually under the opponent’s “X” marks in Canada since 1980. Similarly, advertising in Canada in association with the opponent’s “X” brand tires have exceeded \$1 million annually since 1985. From the examples of advertising attached as exhibits to

Mr. Savard's affidavit, it appears that the opponent advertises its "X" brand tires (some of which are not relied on in the statement of opposition) in conjunction with another of the opponent's marks namely, MICHELIN. Further, it appears that the primary message of the opponent's advertising is that the consumer is buying a MICHELIN tire, and that the particular "X" brand is secondary in importance. The applicant's advertising is similar, that is, its mark GENERAL appears prominently and the applied for mark is secondary. Retailers and garages prominently advertise MICHELIN and other brands of tires (eg.- FIRESTONE, DAYTON, UNIROYAL, BFGOODRICH, GENERAL) in prominent signage on the exterior of their business premises, without any mention of the marks in issue in this proceeding: in this regard see Exhibit MS-5 of Mr. Savard's affidavit.

Examples of advertising included as part of Exhibit MS-3 to Mr. Savard's affidavit shows that the opponent's "X" marks are followed by two alphanumeric sequences, the first being UTQG and the second of the form 170AA, 240AA, 310AB and so on. The above examples of advertising reinforces my view that the consumer's attention is likely focused on the brand name MICHELIN and that the consumer would pay less attention to and have less awareness of the opponent's secondary "X" marks. Similarly, it is likely that the consumer focuses on the brand name GENERAL rather than on the applicant's secondary marks. Sales in Canada of GENERAL tires under the applied for mark XP2000 totalled about \$10 million for the period 1985-1992 inclusive; about \$3 million in total under the marks XP2000 AS and XP2000 H; and less than \$1 million in total under the marks XP2000 MS, XP2000 V and XP2000 Z. Advertising for tires under each of the applied for marks has been about \$100,000 annually (which I have approximated from information in paragraphs 7 and 8 of Mr. Hazelgrove's affidavit) for the period 1988 to 1993 inclusive.

The length of time that the marks in issue have been in use favours the opponent as it has been using its "X" marks in Canada since at least as early as 1970. The nature of

the parties' wares are the same or closely related and the parties' wares are sold through the same retail outlets.

The parties' marks resemble each other visually and aurally to some extent as the letter X is common to the applied for marks and to the opponent's group of "X" marks. However, the parties' marks do not suggest any idea in particular other than perhaps a type of coding that might identify characteristics of the merchandise.

As a further surrounding circumstance, the applicant sought to rely on the state of the register evidence to establish that the letter X is a common element of trade-marks for motor vehicle tires. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace: see *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R.(3d) 432 (TMOB) and *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R.(3d) 205 (F.C.T.D.). See also *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R.(3d) 349 (F.C.A.) which is support for the proposition that inferences about the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located. In the instant case, the applicant has evidenced twelve registrations standing in the names of six different owners. I have discounted one registration because it covers "composite tire patches" rather than tires. I have discounted another registration because it is for a design mark which is not illustrated. The opponent's evidence shows that three of the registrations (all belonging to one owner) have been expunged. Thus, there remain seven relevant registrations standing in the names of four different owners. Further, the search conducted in this case must be given reduced weight because it provides incomplete particulars of the registrations and applications located. For example, it may be that a number of the registrations are based on use and registration abroad rather than on use in Canada. The preferred manner of proving state of the register evidence is by means of

certified copies of the registrations or the pending applications relied on or photocopies of the registrations and applications together with an affidavit of the person who made the photocopies: see *Quebec Maple Products v. Stafford Foods Ltd.* (1988), 20 C.P.R.(2d) 404 at 408 (TMOB). In any event, given the relatively few registrations located I am not prepared to infer that marks comprised in part of the letter X are in common use for vehicle tires.

It is however of some significance that the state of the register search located the marks XLM and TIGER PAW XTM belonging to The Uniroyal Goodrich Tire Company (“UGTC”). Mr. Hiebel’s evidence, filed on behalf of the opponent, is that UGTC, as well as Uniroyal Goodrich Canada, Inc. (UGCI), are affiliated with the opponent, and that on June 16, 1994, UGTC assigned the two above-mentioned marks (along with four other marks) to UGCI. A copy of the assignment document is included as exhibit A-1 to Mr. Hiebel’s affidavit. Mr. Hiebel’s evidence is that UGCI is under the financial control of Michelin Corporation (a U.S. corporation) which is itself under the financial control of the opponent CGEM. The opponent, through its corporate ties to UCGI, therefore ensures that tires sold by UCGI under the marks XLM and TIGER PAW XTM conform to the opponent’s quality standards: see paragraphs 8-12 of Mr. Hiebel’s affidavit. As noted by the applicant at the oral hearing, the opponent is not in a position to claim that UCGI is a licensed user of the marks since the opponent does not own the marks; UCGI owns the marks. Thus, I am led to conclude that at least one party other than the parties in opposition sells tires in Canada under marks incorporating the component X.

Although the material date to assess the issue of confusion pursuant to Section 16(1)(a) is the date of first use of the mark as claimed in the subject application, the Board may have regard to matters arising after the material date to the extent that one may draw inferences as to the situation existing as of the material date; see *Speedo Knitting*

Mills Pty. Ltd. v. Beaver Knitwear (1975) Ltd. (1985), C.P.R.(3d) 176 at pp. 184-185

(TMOB). In this regard, I have noted that there have been significant sales of tires under the applicant's marks XP2000, XP2000 AS, and XP2000 H, that is, about \$13 million US between 1985 and 1992 and that the opponent has not evidenced any instances of actual confusion. Of course, the opponent is under no obligation to do so and the absence of such evidence does not necessarily raise any presumptions unfavourable to the opponent nor is it determinative of the issue of confusion. As noted by the opponent, in *Mr.*

Submarine Ltd. v. Amandista Investments Ltd. (1987), 19 C.P.R. (3d) 3 (F.C.A.), the Court found that the defendant's marks MR. SUBS'N PIZZA and MR. 29 MIN.

SUBS'N PIZZA were confusing with the plaintiff's mark MR. SUBMARINE although there was no evidence of actual confusion despite 10 years of contemporaneous use in the area of Dartmouth. The absence of evidence of confusion is of course one circumstance among the many to be considered.

In view of the above, and keeping in mind that the test for confusion is one of first impression and imperfect recollection, I find that, on a balance of probabilities, the applicant has satisfied the onus on it to show that the applied for mark XP2000 is not confusing with any of the opponent's marks as of the earliest material date. The main factors leading to my conclusion are the low inherent distinctiveness of the opponent's "X" marks; that they appear to be used as secondary marks; that the evidence does not permit reliable conclusions to be made regarding the extent to which any of the opponent's marks, individually, may have acquired significant distinctiveness; that a third party namely UGCI uses the mark XLM; and that there is no evidence of actual confusion between the parties' marks despite significant contemporaneous use.

The opponent's opposition with respect to the mark XP2000 is therefore rejected.

The pleadings, issues, material dates, and surrounding circumstances regarding the applied for marks XP2000 AS; XP 2000H; XP2000 MS; XP 2000V; and XP 2000Z are very similar to those discussed above in connection with the mark XP2000. One difference of note was alluded to earlier namely, that sales of tires under the applicant's marks XP2000 AS; XP 2000H; XP2000 MS; XP 2000V; and XP 2000Z since 1985 are considerably lower than under its mark XP2000. However, that one circumstance by itself does not in my view sway the balance of probabilities regarding the issue of confusion in favour of the opponent.

In view of the above, the opponent's oppositions with respect to the marks XP2000 AS; XP 2000H; XP2000 MS; XP 2000V; and XP 2000Z are hereby rejected.

The oral hearing respecting all eight of the applicant's applications was scheduled for September 12, 1996. Unfortunately, due to an administrative oversight, only the six cases discussed above were heard on September 12, and the hearing was reconvened on September 25, 1996 concerning the applications for the marks AMERI XL 4 & Design and AMERI WAY XT & Design.

The pleadings, issues, material dates, and surrounding circumstances regarding the applied for marks AMERI XL 4 & Design and AMERI WAY XT & Design, illustrated below, are very similar to those discussed above in connection with the mark XP2000.

One significant similarity is the substantial sales of tires under the "AMERI" marks namely, \$7 million under the mark AMERI XL 4 & Design for the two year period 1988-1990 and \$640,000 for the two year period 1991-1992; \$30 million under the mark

AMERI WAY XT & Design for the 10 year period 1983-1992. One significant difference is the visual and aural dissimilarity between the “AMERI” marks and the opponent’s “X” marks. For essentially the same reasons discussed previously in connection with the applied for mark XP2000, I arrive at the conclusion that the applied for marks AMERI XL 4 & Design and AMERI WAY XT & Design are not confusing with any of the opponent’s “X” marks.

In view of the above, the opponent’s oppositions with respect to the marks AMERI XL 4 & Design and AMERI WAY XT & Design are rejected.

There is one further matter to address. On September 9 and 10, the opponent advised the Board and the applicant that it intended to request leave at the oral hearing scheduled for September 12 to amend its statements of opposition to rely on some 27 additional registered “X” marks, and intended to request leave to file those registrations as additional evidence. I refused the opponent’s requests at the oral hearing on September 12 in respect of the first six opposition cases discussed above, and I refused the opponent’s requests on September 25 in respect of the two remaining “AMERI” opposition cases. As noted in the *Practice Notice -Procedure Before The Trade-marks Opposition Board*, leave to amend a statement of opposition or to file additional evidence will only be granted if the Board is satisfied that it is in the interests of justice to do so having regard to all the surrounding circumstances including (a) the stage the opposition proceeding has reached, (b) why the amendment was not made or the evidence not filed earlier, (c) the importance of the amendment or evidence, and (d) the prejudice which will be suffered by the other party. In the instant case, the opponent’s request came at the very last stage of the proceeding with no satisfactory explanation as to why the requests were not made earlier. In this regard, all except one of the additional “X” marks were registered as of December 1995, that is, eight months prior to the opponent’s requests.

Most of the additional marks were on the register as of December 1994. The amendment to the pleadings and the additional evidence would not have significantly advanced the opponent's cases in any event. Finally, the amendment and additional evidence were presented far too late to permit the applicant to respond in any meaningful way.

DATED AT HULL, QUEBEC, THIS 25th DAY OF OCTOBER, 1996.

Myer Herzig,
Member,
Trade-marks Opposition Board