



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

Citation: 2010 TMOB 216
Date of Decision: 2010-12-07

**IN THE MATTER OF AN OPPOSITION by
Sandra Lofaro to Application No. 1,223,362
for the trade-mark ESURANCE filed by
Esurance Inc.**

[1] On July 5, 2004, Esurance Inc. (the Applicant) filed an application to register the trade-mark ESURANCE (the Mark) based upon proposed use of the Mark in Canada in association with the following services: “Support services for the quoting, underwriting and writing of insurance, namely administration, claims adjustment, brokerage, inspection and examination referral, policy management, customer needs assessment, financial planning, product evaluation, consultation and research in the fields of insurance and financial planning” (the Services).

[2] The application is also based upon use of the Mark in the U.S.A. in association with the Services and registration of the Mark in that country under No. 2,854,154 in association with “inspection and examination referral services in the field of insurance and customer needs assessment; product evaluation in the field of insurance”. The application further claims the benefit of s. 14 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act).

[3] The application was advertised for opposition purposes in the *Trade-marks Journal* of January 10, 2007.

[4] On March 1, 2007, Sandra Lofaro (the Opponent) filed a statement of opposition against this application. The grounds of opposition allege, in summary, that:

- a. the application does not conform to the requirements of s. 30(a), (d), (e) and (i) of the Act;
- b. the Mark is not registrable pursuant to the provisions of s. 12 and 14 of the Act since it is clearly descriptive or deceptively misdescriptive of the Services;
- c. the Mark is not registrable pursuant to the provisions of s. 12(1)(d) of the Act since it is confusing with the trade-mark HOMESURANCE registered under No. TMA296,127; and
- d. the Mark is not distinctive of the Applicant since it is confusing with a number of other third party trade-marks, business names or domain names used or promoted with insurance services or related services.

[5] The Applicant filed and served a counter statement in which it denies the Opponent's allegations.

[6] In support of her opposition, the Opponent filed as evidence in chief, her own affidavit, sworn on November 12, 2007 (the first Lofaro affidavit). Ms. Lofaro was cross-examined on her first affidavit and the transcript of the cross-examination and responses to undertakings form part of the record. In support of its application, the Applicant filed the affidavits of Kerian Bunch, Vice President and General Counsel of the Applicant, sworn August 8, 2008, and Gavin Phillips, a private investigator employed by King-Reed & Associates Inc. (King-Reed), sworn June 13, 2008. The Opponent filed as reply evidence, a second affidavit of hers, sworn November 27, 2008 (the second Lofaro affidavit).

[7] Both parties filed written arguments. Only the Applicant was represented at an oral hearing.

Onus

[8] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably

be concluded that the facts alleged to support each ground of opposition exist [*John Labatt Ltd v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.); and *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)].

Analysis

Section 30 grounds of opposition

[9] The Opponent has pleaded four grounds of opposition based on s. 30 of the Act. The material date that applies to all four grounds is the date the application was filed. Except for the s. 30(d) ground of opposition, each of these grounds is dismissed for the following reasons:

- s. 30(a): this ground fails to provide specific facts and as such, has not been pleaded properly. The statement of opposition simply sets out that the application “does not contain a statement in ordinary commercial terms of the services in association with which the Applicant intended to use the [M]ark in Canada”. The Opponent has failed to specify which of the Services are not defined in ordinary commercial terms. Furthermore, there is no evidence from which it could be reasonably concluded that facts to support such ground of opposition exist;
- s. 30(e): the Opponent has failed to meet her initial onus of proof with respect to this ground of opposition. The statement of opposition sets out that the application “does not comply with the provisions of [s.] 30(e) of the Act, since at the date of filing, the Applicant did not itself intend to use the [Mark] in Canada in association with the [S]ervices”. The Opponent did not file evidence addressing this particular issue. The Opponent relies on the Applicant’s evidence to argue that the Applicant made a false statement of intent to use the Mark at the date the application was filed. However, the statements in paragraphs 8 and 14 of the Bunch affidavit that “in order to satisfy Canadian regulatory requirements, it became necessary for the Applicant to partner with Kanetix [Ltd.]” (Kanetix) and that Kanetix acts as the Applicant’s “exclusive Canadian licensee, to offer instant insurance quotes from competing insurers” are not by themselves sufficient to put into issue the truthfulness of

the statement made by the Applicant in its application. Although the Applicant did not, when the application was filed, make any reference to intent to use the Mark in Canada through a licensee, the mere fact that ultimately use of the Mark was commenced through a licensee does not necessarily lead to a finding that the Applicant made a false statement of intent to use the Mark by itself when it filed its application. There is no evidence that at the time the application was filed, the Applicant knew of the fact that it was incapable of satisfying the “Canadian regulatory requirements”; and

- s. 30(i): this ground, as pleaded, does not raise a proper ground of opposition. The statement of opposition sets out that:

[T]he application does not comply with the provisions of [s.] 30(i) of the Act, since the Applicant could not have been satisfied that it was entitled to use the [Mark] in association with the [S]ervices having regard to the prior rights of others in confusingly similar trade-marks, business names and/or domain names by virtue of their use and/or promotion with insurance services, insurance related services and insurance support services, including the trade-mark ESURANCE and the domain name ESURANCE.CA, the trade-mark E-SURE and domain name E-SURE.CA, the trade-mark and domain name ESURE.CA, the trade-mark and domain name E-SURANCE.CA, the trade-mark E-SURANCE ITI, the trade-mark ESURANCECANADA and the domain name [sic] ESURANCECANADA.COM, ESURANCECANADA.CA, and the trade-mark and domain name ESURANCEINSURANCE.CA, and the trade-mark and domain name ESURANCEQUEBEC.CA.

The mere fact that the Applicant may have been aware of the existence of these other trade-marks, business names or domain names does not preclude it from making the statement in its application required by s. 30(i) of the Act. Even if the ground had been properly pleaded, where an Applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional circumstances such as where there is evidence of bad faith on the part of the Applicant [*Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.)]. There is no such evidence in the present case.

Section 30(d) ground of opposition

[10] The statement of opposition sets out that the application “does not contain the name of a country in which the [Mark] has been registered and/or used by the Applicant, in association with the services identified as ‘support services for the quoting, underwriting and writing of insurance, namely administration, claims adjustment, brokerage, financial planning, product evaluation [in the field of financial planning], consultation and research in the fields of insurance and financial planning’ described in the application”. The statement of opposition further sets out that the application “does not contain the name of a country in which the [Mark] has been used by the Applicant in association with the services described in the application”.

[11] The registration and use abroad basis claimed in the application is as follows:

The [Mark] has been duly registered by the Applicant in the United States of America, the country of origin of the Applicant, on June 15, 2004 as number 2,854,154 in association with inspection and examination referral services in the field of insurance and customer needs assessment; product evaluation in the field of insurance. The Applicant has used the [Mark] in association with support services for the quoting, underwriting and writing of insurance, namely administration, claims adjustment, brokerage, inspection and examination referral, policy management, customer needs assessment, financial planning, product evaluation, consultation and research in the field of insurance and financial planning in the United States of America and the Applicant requests registration of the [Mark] in respect of the services in association with which it has been registered and used as aforesaid.

[12] As per the above reproduction, the use and registration abroad basis expressly refers to use and registration of the Mark in the United States. There is no evidence that the Mark has not been used by the Applicant in the United States as claimed in the application. However, the Opponent contends that the statement of services claimed in U.S. registration No. 2,854,154 is narrower than the statement of services for which use of the Mark is alleged to have been made in the United States in that the services described as “support services for the quoting, underwriting and writing of insurance, namely administration, claims adjustment, brokerage, financial planning, product evaluation [in the field of financial planning], consultation and research in the fields of insurance and financial planning” are not covered by U.S. registration

No. 2,854,154.

[13] It appears to me that the pleading raises the interesting question of what is sufficient for the Opponent to discharge her burden of proof under the ground of opposition based upon non-conformity to s. 30(d) of the Act. As I did not find much guidance in the jurisprudence, I am of the view that an analogy can be made between such a ground of opposition and one based upon non-conformity to s. 30(a) of the Act. In *McDonald's Corp. v. M.A. Comacho-Saldana International Trading Ltd.*, (1984), 1 C.P.R. (3d) 101 (T.M.O.B.), the Registrar concluded that it was sufficient for an opponent to make a satisfactory argument to meet its initial burden of proof with respect to a ground of opposition based upon s. 30(a) of the Act. Applying similar reasoning to the present case, I find that the Opponent has met her initial burden.

[14] I agree with the Opponent that the statement of services covered by U.S. registration No. 2,854,154 (a certified copy of which was provided to the Canadian Intellectual Property Office at the examination stage) is not broad enough to encompass the services described as “support services for the quoting, underwriting and writing of insurance, namely administration, claims adjustment, brokerage, financial planning, product evaluation [in the field of financial planning], consultation and research in the fields of insurance and financial planning”. Further, I am not satisfied that the Applicant has furnished any evidence establishing that these services are encompassed by the statement of services of the U.S. registration.

[15] Having regard to the foregoing, the use and registration abroad basis as stated in the application is overly broad and does not comply with the provisions of s. 30(d) of the Act. Accordingly, the s. 30(d) ground of opposition succeeds in that the registration and use abroad basis claimed in the present application ought to be restricted to the following services only: “inspection and examination referral services in the field of insurance and customer needs assessment; product evaluation in the field of insurance”.

Non-registrability ground of opposition based on s. 12(1)(b) and 14 of the Act

[16] The statement of opposition sets out that:

The Opponent bases its opposition on the ground provided by [s.] 38(2)(b) of the Act, namely that the [Mark] is not registrable pursuant to [s.] 12 and 14 of the Act. The [Mark] is ‘clearly descriptive or deceptively misdescriptive’ of the character of the services and the claim to the benefit of [s]. 14 of the Act, has not been met, since no evidence was ever filed. Accordingly, the application should not have been accepted for publication in the [*Trade-marks Journal*]; the inclusion of a [s]. 14 claim creates a bias in favour of the Applicant in that it could deter others from filing Opposition. In any event, the Applicant is not entitled to the benefit of [s.] 14 of the Act, which accords the trade-mark the standing of “not without distinctive character” in Canada.

[17] The issue as to whether a mark is clearly descriptive must be considered from the point of view of the average purchaser of the associated wares or services. Furthermore, the mark must not be dissected into its component elements and carefully analyzed but must be considered in its entirety as a matter of immediate impression. A mark is clearly descriptive if it describes a feature, trait or characteristic of the wares or services in a way that is “easy to understand, self evident or plain” [*Wool Bureau of Canada Ltd. v. Registrar of Trade Marks* (1978), 40 C.P.R. (2d) 25 (F.C.T.D.); *Atlantic Promotions Inc. v. Registrar of Trade Marks* (1984), 2 C.P.R. (3d) 183 (F.C.T.D.); *Drackett Co. of Canada Ltd. v. American Home Products Corp.* (1968), 55 C.P.R. 29]. The material date to assess this issue is the date of filing of the application, in this case July 5, 2004 [*Fiesta Barbecues Ltd. v. General Housewares Corp.* (2003), 28 C.P.R. (4th) 60 (F.C.T.D.)].

[18] The Applicant submits that the Mark is a coined word, with no dictionary meaning thereby affording it considerable inherent distinctiveness. The Applicant further submits that the Opponent failed to adduce any evidence on this point, survey evidence or otherwise, and that there is simply no basis to find that an ordinary purchaser would conclude that the Mark is clearly descriptive of the Services.

[19] The Opponent submits for her part that the Applicant’s claim to the benefit of s. 14 of the Act included in its application is an implied admission that the Applicant considers the Mark unregistrable under s. 12(1)(b) of the Act. The Opponent relies in this regard upon the following comment of Board Member Bradbury in *York Barbell Holdings Ltd. v. Icon Health & Fitness, Inc.* (2001), 13 C.P.R. (4th) 156 (T.M.O.B.), at 162 (*York Barbell*):

The second ground of opposition is based on para. 12(1)(b) of the *Trade-marks Act*, the opponent pleading that the trade-mark is clearly descriptive of the applicant's wares in that the applicant's wares can be folded up for easy storage or if they cannot, it is deceptively misdescriptive.

As discussed further below, the applicant ultimately amended its trade-mark application to claim the benefit of s. 14 of the *Trade-marks Act*. Even though the applicant's s. 14 claim may be considered to be an admission that its mark is clearly descriptive, I will nevertheless proceed with a discussion of whether or not the applicant's mark is clearly descriptive of its wares. [Underlining added]

[20] The Opponent adds that the letter “E”, as a prefix, has a well understood meaning as the abbreviation for “electronic commerce” (e-commerce) denoting access to the Services online.

[21] The Opponent further submits that the Applicant’s trade-mark application should have never been accepted for publication in the *Trade-marks Journal* as the claim to the benefit of s. 14 has not been met, since no evidence was ever filed. The Opponent submits that the fact of the unwarranted recognition to the benefit of s. 14 of the Act in the application as advertised effectively prejudices others from opposing, since parties might otherwise elect to file opposition, had the s. 14 claim not been shown.

[22] Addressing first the issue of descriptiveness of the Mark, the fact that a trade-mark is a coined word or a combination of words that does not appear in dictionary does not by itself prevent that trade-mark from being found to be clearly descriptive or deceptively misdescriptive [*Oshawa Group Ltd. v. Registrar of Trade-marks* (1980), 46, C.P.R. (2d) 145 (F.C.T.D.); and *Clarkson Gordon v. Registrar of Trade-Marks* (1985), 5 C.P.R. (3d) 252 (F.C.T.D.) (*AuditComputer*)]. However, as stated by Mr. Justice Reed in *AuditComputer*, “it will always be more difficult to prove that such words are clearly descriptive of a character or quality of the product to which they relate than is the case with ‘uncoined’ words.”

[23] It is true that the Mark is a coined word. However, having regard to the context of the Services, it is fair to assume that it has been coined from the prefix “E-”, standing for e-commerce, and the word “INSURANCE”.

[24] That said, the issue is whether, as of the filing date of the application, the everyday user of the Applicant's Services would have attributed to the Mark ESURANCE a clearly descriptive meaning and assumed that the Applicant is offering to perform insurance services over the Internet?

[25] While the Opponent submits in her written argument that "official registers show a plurality of [...] trade-marks [that consist of the prefix "E-" standing for e-commerce]", she has not evidenced such point. The Opponent did however evidence the registration of a few domain names or trade-names made up of the prefix "E-" or "E" combined with the word INSURANCE contracted or combined with other words. Except for the domain names E-SURANCE ITI, E-SURE.CA and EINSURANCE.CA, all of these domain names or trade-names were registered with Internet registrars or governmental authorities after the material date. As for the domain names or trade-names E-SURANCE ITI, E-SURE.CA and EINSURANCE.CA, they arguably support to some extent the Opponent's submission that the prefix "E-" or "E" standing for e-commerce had a well understood meaning as of the material date. However, in the absence of evidence of use of these domain names or trade-names, I am not prepared to accord significant weight to their mere registration.

[26] That said, transposing the comments of Board Member Bradbury in *Toronto-Dominion Bank v. e-Funds Ltd.* (2008), 71 C.P.R. (4th) 22 at 28 (T.M.O.B.), I believe that I can take judicial notice that the Internet age came upon us quite suddenly. While I cannot take judicial notice of when this occurred, I can revert to definitions found in dictionaries.

[27] The letter "E-" is defined as follows in the eleventh edition 2004 of the *Concise Oxford English Dictionary*:

"E-"

Prefix denoting the use of electronic data transfer, especially through the Internet: *e-cash*. ORIGIN from ELECTRONIC, on the pattern of *email*.

[28] Dictionary definitions satisfy the Opponent's initial burden. Thus, it is fair to say that as of the material date, the prefix "E-" or "E" (like in *email*) denoted electronic commerce.

[29] However, as indicated above, it is not proper, in examining whether a mark is descriptive or distinctive, to dissect it into its component parts. The mark must be looked at as a whole. I wish to reproduce on this point, the following passage from Joliffe and Gill, *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4th ed., Carswell, at pp. 5-31 and 32:

[...] words coined by the telescoping of two generally descriptive words do not necessarily retain their descriptiveness. In *Hallgarten's Application* [*Hallgarten*] the word "Whisqueur" was allowed registration for liqueurs containing whisky. Although its derivation from the words "Whisky" and "liqueur" was somewhat obvious, it was nevertheless held that the word was not just a mis-spelling nor a trifling variation of the words compounded. [...]

When a mark is thus composed of parts of two words it is to be a question of fact whether persons will attribute to the compounded word the meaning to ascertain by dissecting it into its component parts. When asked to discern the component words, persons will frequently produce meanings or attributions which would not necessarily or normally occur to people coming into contact with a word mark in the course of trade. The question becomes whether, on a fair and reasonable view of what will happen in the normal circumstances of trade, the attribution alleged will naturally occur to the persons to whom the mark will have an appeal.

[30] Like in the *Hallgarten* case, I am of the view that the telescoping of the prefix "E-" with the word "INSURANCE" so as to form the Mark ESURANCE is not just a misspelling nor a trifling variation of the words compounded. It is not immediately obvious as a whole what the meaning of ESURANCE is. As indicated above, it is not proper to divide up the component parts, add the missing elements and conclude that the Mark is clearly descriptive. The parent words have been transformed so as to make the Mark an invented word. Transposing the comments of Assistant-Comptroller S. E. Chisholm in *Hallgarten*, obviousness of meaning must not be confused with obviousness of method of coining or derivation. It is incorrect to say that the Mark ESURANCE has a particular definite meaning solely on the ground that its derivation must be apparent to many people. The Mark as a whole has no obvious meaning and is not clearly descriptive or deceptively misdescriptive of the character or quality of the Applicant's Services.

[31] This brings me to address the Opponent's argument that the Applicant's claim to the benefit of s. 14 of the Act included in its application is an implied admission that the Applicant considers the Mark unregistrable under s. 12(1)(b) of the Act and that the Applicant's application should have never been accepted for publication in the *Trade-marks Journal* as no evidence was ever filed to meet the Applicant's evidential burden pursuant to s. 14 of the Act.

[32] As explained by Board Member Martin in *Zorti Investments Inc. v. Party City Corp.* (2004), 36 C.P.R. (4th) 90 (T.M.O.B.), at 95-96, s. 14 of the Act provides a mechanism analogous to that of s. 12(2) to allow the registration of a trade-mark otherwise unregistrable pursuant to s. 12(1)(b) where the applicant owns a corresponding foreign registration:

Section 14(1) provides an exception to s. 12(1)(b) in the same way that s. 12(2) does: see *Molson Breweries*, *supra*. It would therefore seem to follow that the material time for considering the circumstances respecting s. 14(1) of the Act should be the same as that for s. 12(1)(b) and 12(2) -- *i.e.* -- the filing date of the applicant's application as discussed above.[...]

It is therefore necessary for the applicant to evidence the existence of its corresponding foreign registration and to show that the applied for mark was not without distinctive character in Canada pursuant to s. 14(1)(b) of the Act as of the filing date of the application. Although the evidential burden on the applicant regarding the latter requirement is less than that respecting s. 12(2) of the Act, it nevertheless remains a heavy one: see *Supershuttle International, Inc. v. Canada (Registrar of Trade-marks)* (2002), 19 C.P.R. (4th) 34 (F.C.T.D.) at 42.

[33] The evidence that is required in support of s. 14(1)(b) of the Act is defined in s. 31(2) of the Act as follows:

31(2) An applicant whose trade-mark has been duly registered in his country of origin and who claims that the trade-mark is registrable under paragraph 14(1)(b) shall furnish such evidence as the Registrar may require by way of affidavit or statutory declaration establishing the circumstances on which he relies, including the length of time during which the trade-mark has been used in any country.

[34] As indicated above, the Registrar is entitled to require supporting evidence to be filed to support an applicant's claim to the benefit of s. 14 of the Act. He does not necessarily do so. In the present case, since no objection pursuant to s. 12(1)(b) of the Act was raised by the Examiner

during the initial prosecution of the Applicant's application, no supporting evidence was required by the Examiner. The application was thus simply advertised with the mention "Benefit of section 14 is claimed on services". The fact that no evidence was filed to support the Applicant's claim to the benefit of s. 14 prior to advertisement of the Mark cannot be held against the Applicant.

[35] I wish to reproduce on this point the following comments of Board Member Martin in *Coca-Cola Ltd. v. Cie Française de Commerce International Cofci S.A* (1991), 35 C.P.R. (3d) 406 (*Coca-Cola*) at paragraph 9:

At the oral hearing, the applicant's agent submitted as a further preliminary matter that, since the applicant had claimed the benefit of Section 14 of the Act, the opponent's grounds of non-registrability based on Section 12 of the Act (i.e. - the second and third grounds) have been rendered nugatory. I disagree. The applicant's claim to the benefit of Section 14 was inaccurate since such a claim only has relevance if the applied for trade-mark has been found to contravene the provisions of Section 12. Since no objection pursuant to Section 12 was raised by the Examiner during the initial prosecution of the applicant's application, the provisions of Section 14 never came into play and the applicant's claim to the benefit of that section was essentially meaningless. If it had been necessary to consider the applicant's claim to the benefit of Section 14, the Examiner would have called for evidence pursuant to Section 31(2) of the Act in order to satisfy the requirements of Section 14(1)(b) of the Act. In the present case, the Examiner made no such request.

[36] Like in the *Coca-Cola* case, the Applicant's claim to the benefit of s. 14 was irrelevant and meaningless.

[37] I consider it inappropriate to speculate as to the reason why the Applicant voluntarily claimed the benefit of s. 14 of the Act when it filed the present application instead of waiting for the Examiner to raise a possible objection based on descriptiveness of the Mark pursuant to s. 12(1)(b) of the Act before amending its application so as to claim such benefit. The present case differs from that in the *York Barbell* case wherein the Applicant sought to amend its trade-mark application to rely on s. 14 of the Act three days after the oral hearing. While the applicant was entitled to amend its application to claim the benefit of s. 14, the Board refused to allow the applicant to rely on s. 14 as a defence in the opposition. Furthermore, notwithstanding the applicant's claim to the benefit of s. 14, the Board did proceed with a discussion of whether or

not the applicant's mark was clearly descriptive of its wares.

[38] In view of the above, I am not prepared to consider, as the Opponent wishes me to, that the Applicant's 14 claim is an implied admission that it considers the Mark unregistrable under s. 12(1)(b) of the Act.

[39] As the Applicant has discharged its burden to show that the Mark does not contravene the provisions of s. 12(1)(b) of the Act, the present ground of opposition fails.

Non-registrability ground of opposition based on s. 12(1)(d) of the Act

[40] The Opponent has pleaded that the Mark is not registrable having regard to the provisions of s. 12(1)(d) of the Act in that it is confusing with the trade-mark HOMESURANCE, the subject of registration No. TMA296,127. I have exercised the Registrar's discretion to review the register of trade-marks and confirm the details of this registration. More particularly, the trade-mark HOMESURANCE was registered on October 12, 1984 in the name of CAA Insurance Company (Ontario) in association with the following services: "Program of insurance; namely, general personal property insurance and personal liability insurance". A declaration of use of the mark was filed on August 1, 1984. As the HOMESURANCE registration is extant, the Opponent's initial burden with respect to this ground of opposition has been satisfied.

[41] The Applicant must therefore establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and this registered trade-mark.

[42] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that 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, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[43] In applying the test for confusion, the Registrar must have regard to all the surrounding

circumstances, including those listed at s. 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; b) the length of time the trade-marks have been in use; c) the nature of the wares, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. This list is not exhaustive and different weight will be attributed to different factors according to the context [see *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.) and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée* (2006), 49 C.P.R. (4th) 401 (S.C.C.) for a thorough discussion of the general principles that govern the test for confusion].

[44] A detailed analysis of the s. 6(5) factors is not required in the present case. Suffice it to say that although the services and channels of trade of the marks at issue may overlap, the Mark is sufficiently different from the HOMESURANCE trade-mark to make confusion unlikely.

[45] Indeed, while it is true that, technically speaking, the Mark is contained within the entirety of HOMESURANCE, the marks do differ in appearance, sound and in the ideas suggested by them. The first portion of the cited mark consists of the word “HOME”, which is suggestive in the context of the registered services of a personal property insurance program. Its second portion consists of the ending “SURANCE”, which in the context of the services, calls to mind the word “INSURANCE”. Given its highly suggestive connotation, I consider the cited mark as an inherently weak mark.

[46] While the strength of a trade-mark may be increased by means of it becoming known through promotion or use, the Opponent has provided no evidence that the HOMESURANCE trade-mark is in use by the owner of that registration. In the absence of evidence supporting use of the cited mark, the mere existence of a registration can establish no more than “de minimis” use and cannot give rise to an inference of significant or continuing use of the mark. As weak marks generally deserve a narrow ambit of protection, I am of the view that the differences existing between the trade-marks under review in sound, appearance and in the ideas suggested by them are sufficient to make confusion unlikely.

[47] Accordingly, I find that the Applicant has satisfied its onus to show that, on a balance of probabilities, there is no reasonable likelihood of confusion between the marks in issue as to the source of the parties' services. The s. 12(1)(d) ground of opposition is dismissed.

Non-distinctiveness ground of opposition

[48] The Opponent has pleaded that the Mark is not distinctive within the meaning of s. 2 of the Act in that:

[T]he [Mark] does not actually distinguish the Applicant's services from those of others nor is it adapted to so distinguish them. The [Mark] is confusing with a number of other third party trade-marks, business names and/or domain names used and/or promoted with insurance services, insurance related services and/or insurance support services, including the trade-mark ESURANCE and the domain name ESURANCE.CA and with the trade-mark and domain name E-SURANCE ITI and with the trade-mark E-SURE and domain name E-SURE.CA and with the trade-mark and domain name ESURE.CA and with the trade-mark and domain name E-SURANCE.CA and with the trade-mark ESURANCECANADA and the trade-mark and domain name ESURANCECANADA.COM, and ESURANCECANADA.CA and with the trade-mark and domain name ESURANCEINSURANCE.CA and with the trade-mark and domain name ESURANCEQUEBEC.CA.

[49] The legal onus is on the Applicant to show that its Mark is adapted to distinguish or actually distinguishes its Services from those of others throughout Canada [*Muffin Houses Inc. v. The Muffin House Bakery Ltd.* (1985), 4 C.P.R. (3d) 272 (T.M.O.B.)]. However, as indicated above, there is an initial evidential burden on the Opponent to establish the facts relied upon in support of the ground of non-distinctiveness. In deciding this issue, I am guided by the comments of Mr. Justice Addy in *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D.):

On the issue of lack of distinctiveness of a mark, although it must be shown that the rival or opposing mark must be known to some extent at least, it is not necessary to show that it is well known [...]. It is sufficient to establish that the other mark has become known sufficiently to negate the distinctiveness of the mark under attack.

as well as those of Mr. Justice Noël, in *Bojangles' International, LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.) at paragraph 34:

34. A mark must be known to some extent at least to negate the established distinctiveness of another mark, and its reputation in Canada should be substantial, significant or sufficient. This is consistent with the jurisprudence. To require that the reputation of the mark be "substantial", "significant" or "sufficient" is neither incompatible with the standard "to some extent at least" set out in *Motel 6*, above, nor is it contrary to the statements of the Federal Court of Appeal in *Andres Wines*, hence the Court's use of the expression "substantial number of Canadian viewers" to describe the evidence of the applicant with respect to T.V. advertising (see *Andres Wines*, at para. 19).

[50] Generally, the material date for assessing distinctiveness is the date of filing of the opposition, in this case March 1, 2007 [*Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D)].

[51] In *Clarco Communications Ltd. v. Sassy Publishers Inc.* (1994), 54 C.P.R. (3d) 418 (F.C.T.D.), Mr. Justice Denault stated at 428:

While distinctiveness is quite often determined as part of an evaluation of whether the proposed trade mark is confusing with another trade mark within the meaning of s. 6 of the Act, it is possible to refuse an application for registration on the basis of non-distinctiveness independent of the issue of confusion, provided the ground is raised in opposition. The quality of distinctiveness is a fundamental and essential requirement of a trade mark and the ground of lack of distinctiveness may be raised in opposition by any person and may be based on a failure to distinguish or to adapt to distinguish the proposed trade mark from the wares of any others.

[52] This brings me to address the Opponent's evidence on this point in light of the submissions made by the Applicant in its written argument and at the oral hearing.

Use of the trade-mark ESURANCE and the domain name ESURANCE.CA

[53] While the statement of opposition refers to third party use of the trade-mark ESURANCE and the domain name ESURANCE.CA, the evidence shows that the Opponent relies in fact on her own use of such trade-mark and domain name. Such use has also been addressed by the Applicant.

[54] Ms. Lofaro states in paragraphs 5 and 12 of her first affidavit that she has used the trade-marks ESURANCE and ESURANCE.CA in association with insurance related services since May 24, 2000 and April 2005 respectively and that the trade-mark ESURANCE.CA has essentially been used in Internet advertising. She also states that she owns the domain name ESURANCE.CA, which has been in use since April 2, 2005 in association with insurance related services. Ms. Lofaro further states in paragraph 16 of her first affidavit that “income derived from the trade-mark ESURANCE for the years 2000 to 2006 have been in excess of \$10,000.”

[55] In support of these statements of use, Ms. Lofaro attaches as Exhibit U, copies of a selection of invoices. She also attaches as Exhibits C, M and N, various extracts taken from the Internet. She further attaches as Exhibits W, X, Y and Z, material pertaining to evidence advertising of the ESURANCE mark prior to the material date.

[56] Commenting first on Exhibit U, it consists of six handwritten invoices totalling \$300 dated between May 24, 2000 and April 4, 2005. Each of the invoices is for “insurance consultation”. The amount charged is \$50 with no mention as to taxes being made [Ms. Lofaro confirms at page 17 of her cross-examination that she did not charge any tax]. The name of the client varies although it always consists of individuals located in the Hamilton or Toronto areas. The issuer of the invoice is “esurance™”, described as an “Insurance Consultant/Full Service Advisor”, located at 7 Norwich Road, Stoney Creek, Ontario.

[57] According to the Phillips affidavit, a site attendance conducted at this property on March 31, 2008 has determined that it is a residential property. This address was reported by the Ministry of Transportation of Ontario as the Opponent’s residential address. The investigator did not observe any signage or any other indications of a business being located at this address. These findings are corroborated by Ms. Lofaro at pages 15 and 18 of her cross-examination where she explains that “initially [she] had an office there” and that it was her mother’s address.

[58] Turning to the Internet extracts, Exhibit C consists of an extract taken from the Canadian Internet Registration Authority (CIRA) website <http://whoiscira.ca>, showing the details of the domain name registration for ESURANCE.CA. This exhibit simply serves to evidence that the

domain name ESURANCE.CA was registered on March 3, 2005 and that it stands in the name of the Opponent, located at the same address as the one indicated on the invoices described above. It is not possible to infer from the mere registration of a domain name that such name has effectively been used.

[59] Exhibit N consists of extracts taken from the Internet *Archive Wayback Machine* website *www.archive.org*, which holds records of how the website *www.esurance.ca* looked at various time periods. If I read these extracts correctly, the website *www.esurance.ca* was under construction as of March, 21, 2004. While a few pages would have been later on posted on this website in 2004 and 2007, it is impossible to conclude from these pages that the domain name ESURANCE.CA or else, the trade-marks ESURANCE or ESURANCE.CA, have effectively been used by the Opponent or another entity, be it a licensee or not, and that Canadians did access such website. Indeed, it is difficult to reconcile the pages for the years 2004 with the registration date indicated in Exhibit C. Furthermore, none of these pages seems to derive from the website *www.esurance.ca*. Rather, they seem to derive from the websites *www.claimfirst.com* or *http://landing.domainsponsor.com*. Moreover, the pages for the year 2007 refer to SCG Holdings, which Ms. Lofaro has no idea who it is [transcript, p. 69].

[60] Exhibit M consists of pages from the website *esurance.ca* printed on 07/11/2007. As stressed by the Applicant and conceded by Ms. Lofaro at pages 52 and 58 of her cross-examination, these pages neither identify the Opponent nor the means by which she or a licensee can be contacted. A person visiting this website would not be able to contact her without going into *cira.ca*, and doing a reverse WHOIS look up on ESURANCE.CA [transcript, p. 79]. The “enter main site” link redirects the user to a DomainSponsor.com webpage. The *esurance.ca* website does not advertise or offer any insurance services beyond the links created by the third party, DomainSponsor. Furthermore, at page 3 of the exhibit, the first “sponsored link” is to the Applicant’s licensee (Kanetix), and the first “top site” listed, and the only reference to the trade-mark ESURANCE, is to the Applicant’s website, located online at *www.esurance.com*.

[61] It is worth noting that Ms. Lofaro admitted during her cross-examination that she has “no control over what’s on these pages” [transcript, p. 58]. She “just asked the web master to give

[her] – design something for [her] cheap and quick. This is what [she] got” [transcript, p. 56]. The <http://esurance.ca> website is still under construction and Ms. Lofaro does not generate any revenue from the sponsored links that are listed on the website [transcript, p. 21 and 52]. Furthermore, when asked if “[she] generate[s] any client or potential client contact from this website from people coming to the website first or is it primarily people phoning [her] and [her] telling them go to look this up and call [her] back kind of thing”, Ms. Lofaro answered that she did not know and could not answer that question. She undertook to review her records under advisement. It appears that this question remained answered. The answer provided as Undertaking No. 14, is that Ms. Lofaro has been unable to determine the number of hits she gets on this website.

[62] As for Exhibit W, it consists of photos of an outdoor sign displaying the trade-mark ESURANCE together with a phone number that was installed in April 2006 in Hamilton, Ontario, which Ms. Lofaro commissioned for the purpose of advertising. Ms. Lofaro attaches as Exhibit X, a copy of the associated invoice from Premier Printing & Signs showing the details of the work commissioned at that time.

[63] According to the Phillips affidavit, a site attendance conducted at this property located at 290 Kenilworth Street, Hamilton, on March 31, 2008 has determined that this outdoor sign is no longer displayed. This property is a commercial property that hosts a clothing retail business. The investigator did not observe any signage related to insurance services present at this address. These findings are corroborated by Ms. Lofaro who confirms at pages 22 and 23 of her cross-examination that the outdoor sign [Exhibit W] was taken down in 2008. The sign was in place from April 2006 to approximately February 2008 that is until she sold her office. Ms. Lofaro explains at page 24 of her cross-examination that “[she] was operating from both the 7 Norwich Road address and the 290 Kenilworth. So [she] had an office in each place. Depending on where the client lives, that’s how [she] determined where [she] would be providing the services”. The 7 Norwich Road address has also been sold as of 2008 [transcript, p. 25]. Her office is now located at 345 Main Street, Grimsby, Ontario [transcript p. 23], which address corresponds, according to the Phillips affidavit, to Ms. Lofaro’s residential address. Ms. Lofaro indicates that she is

actively looking for another property [transcript, p. 23 and 25]. The sign that was on 290 Kenilworth will be put up on the new property when she finds it [transcript, p. 95].

[64] Finally, Exhibit Y consists of a sample of a business card displaying the trade-mark ESURANCE together with Ms. Lofaro's business address located at 7 Norwich Road. Ms. Lofaro states in paragraph 19 of her first affidavit that she commissioned her business cards in April 2006, for the purpose of advertising. Ms. Lofaro attaches as Exhibit Z, a copy of the associated invoice from Premier Printing & Signs showing the details of the work commissioned at that time.

[65] The Applicant contends that the Opponent's reliance upon approximately \$300 of nondescript invoices since approximately 2000 cannot be sufficient to ground an ongoing claim of trade-mark usage. The Applicant further contends that any alleged insurance-related services rendered by the Opponent were either offered illegally (in which case their offer should not in the best case scenario for the Opponent be allowed to qualify as trade-mark use), or otherwise the services provided would not qualify as "insurance-related services" pursuant to applicable legislation, so as to avoid illegality on offer, but also on this basis are likely then taken outside of the Applicant's channels of trade. For the reasons given below, I am not prepared to infer that Ms. Lofaro's insurance consultation services were offered illegally or do not qualify as "insurance-related services". However, I do agree with the Applicant that the Opponent has failed to evidence that her ESURANCE trade-mark or domain name had become known sufficiently to negate the distinctiveness of the Mark as of the material date.

[66] Addressing first Ms. Lofaro's qualifications and career path, the evidence establishes that, while she is not a registered insurance broker nor is she licensed to provide financial services in the province of Ontario, she has a diploma in insurance administration and holds the qualification of Chartered Insurance Professional (CIP) [first Lofaro affidavit, paragraph 3; transcript, p. 19; and Phillips affidavit, Exhibit A]. Ms. Lofaro has been working as a professional in the insurance business since 1989. She has a full-time employment with Coachman Insurance (Coachman) and has been working there since 1998 [transcript, p. 4 and 5].

She eventually wants to be self-employed. Since 1989, her intent has been to start up her own company under the name ESURANCE [transcript, p. 94, see also p. 39].

[67] Turning to the type of business carried on under ESURANCE, Ms. Lofaro explains in her cross-examination that “[she] provide[s] insurance related services. If someone has (...) difficulties with interpretation of a policy, claims, [she] offer[s] consultation services” [transcript, p. 13, see also p. 16]. Ms. Lofaro describes her services as being that of an “insurance examiner” [transcript p. 35]. She further indicates that the questions she resolves for customers vary and that “[i]f the person did not have a policy in place, obviously, [she is] not going to offer them any services” [transcript p. 59]. She does not sell insurance policies [transcript, p. 13].

[68] When asked to elaborate on the nature of the “consultation services” provided in relation to the exhibited invoices, Ms. Lofaro refused to answer due to the *Personal Information Protection and Electronic Documents Act* [response to Undertaking No. 2]. While I agree with the Applicant that Ms. Lofaro could have described further the nature of her services in a manner not compromising personal information or betraying confidences, the Applicant’s contention that Ms. Lofaro’s services were offered illegally or do not qualify as “insurance-related services” is too far of a stretch. For the purpose of my analysis, I am satisfied that Ms. Lofaro’s services consist of consultation services in the field of insurance that mainly address questions of claims and policy interpretation, in line with Ms. Lofaro’s CIP’s qualifications.

[69] That said, Ms. Lofaro’s consultation services appear to be quite marginal. As indicated above, Ms. Lofaro has a full-time employment with an insurance company. She appears to carry on her ESURANCE consulting business in her spare time, although she indicates that she does get calls while she is at Coachman [transcript, p. 14]. When asked by the Applicant’s counsel how people find her business, if it is word of mouth or advertising, Ms. Lofaro answers at pages 13 and 14 of her cross-examination: “[i]nitially it was word of mouth, and through friends, friends of friends, family, friends of family, and basically then it was I have – I have got my business cards that I hand out. I get calls on my – on my phone number and that’s basically how I get the clients.” Her ESURANCE consulting business is not listed in any phone directories in Ontario (surprisingly, Ms. Lofaro had to check her records to answer the question if her business

was listed in any phone directories in Ontario [transcript, p. 19 and response to Undertaking No. 3]). When further asked if there is any other printed material that she uses to promote her business beyond her business cards and the sign that was on the building 290 Kenilworth, Ms. Lofaro answered at page 93 of her cross-examination: “Not to my knowledge, unless – I can’t think of it right now. I don’t believe so. I prefer to get back to [you] on that because I am not too sure on that. Can I take that just in case there is? I am not sure”. In the Opponent’s response to Undertaking No. 10, the Opponent advised that: “Yes, there is other printed material. The Applicant [sic] sponsors a minor hockey league in Hamilton and the phrase “ESURANCE.CA” is printed on the back of the home and away jerseys. The hockey team is referred to as the “Esurance.ca Phantoms”. Furthermore, ESURANCE.CA is printed on the Hockey teams’ banner”. However, it is not possible to ascertain from this answer if such sponsorship existed as of the material date.

[70] Furthermore, when asked during her cross-examination to be more accurate with the number provided in paragraph 16 of her first affidavit where she states that income derived from the trade-mark ESURANCE for the years 2000 to 2006 have been in excess of \$10,000, Ms. Lofaro was unable to provide “any kind of zone on that number” [transcript, p. 20 and 21]. In her response to Undertaking No. 4, the Opponent answered: “Unfortunately, we can’t at this time, provide more accurate figures”. If I am to divide these revenues up amongst the years 2000 to 2006, this represents an average income of \$1,666.00 per year.

[71] The marginality of the Opponent’s ESURANCE consultation business may further explain why the business name ESURANCE was secured only on March 24, 2005 and is still registered with the Ontario Ministry of Consumer and Business Services under the name of ARTBRAVO INCORPORATED (Artbravo), located at 18 Marcel Place, Hamilton, Ontario, (which corresponds to Ms. Lofaro’s in-law address] rather than under the name of Ms. Lofaro [see Exhibit E to the first affidavit of Ms. Lofaro]. Ms. Lofaro indicates at pages 33 to 36 of her cross-examination that this business name was supposed to be transferred to her name and that for some reason it has not. Ms. Lofaro indicates at page 36, that “I don’t know anything about Artbravo. I requested that [my husband] Carmine Lofaro get the name for me, acquire the name. I am not sure how he did it. Artbravo is showing up, so I am assuming that he is affiliated with

Artbravo, which I don't know anything about that business or whatever it is". Ms. Lofaro does not provide any satisfactory answer as to why her business papers are not in order.

[72] The role played by Artbravo or Ms. Lofaro's husband is also obscure. There is no evidence that Artbravo has carried on any activity under the business name ESURANCE, or else, that it has used in any way the trade-mark ESURANCE or the domain name ESURANCE.CA. It is worth noting at this point that Artbravo or another company of Ms. Lofaro's husband identified as 1687734 Ontario Inc. o/a Trademark Protection, would also have secured registrations for the domain names ESURE.CA and E-SURANCE.CA (see Exhibits O and V attached to Ms. Lofaro's affidavit and Exhibit A attached to the Phillips affidavit). I will revert to these domain name registrations later on in my decision.

[73] It is difficult, if not impossible, to ascertain from the evidence in the record the extent to which the Opponent's alleged trade-marks ESURANCE and ESURANCE.CA, and domain name ESURANCE.CA have been used and become known in Canada. Many of the answers provided by Ms. Lofaro during her cross-examination were vague and evasive. As indicated above, when provided with an opportunity to clarify the specific nature of any services offered during cross-examination, replies to undertakings and her subsequent evidence in reply, Ms. Lofaro has provided responses which could not even reference the alleged income derived from her use of the ESURANCE trade-mark in association with any "consultation services".

[74] As per my review above of Exhibits C, M and N, it is impossible to infer that the Opponent's ESURANCE or ESURANCE.CA trade-marks were being used or displayed in the performance or advertising of her services pursuant to s. 4 of the Act as of the material date via the Opponent's website *esurance.ca* and that Canadians did access such website. The only supporting exhibits that I am left with consist of the Opponent's sign that was displayed on the building 290 Kenilworth between April 2006 and February 2008, the six handwritten invoices totalling \$300 dated between May 24, 2000 and April 4, 2005 displaying the trade-mark ESURANCE together with the 7 Norwich Road address, and Ms. Lofaro's business card commissioned in April 2006, also displaying the trade-mark ESURANCE together with Ms. Lofaro's business address located at 7 Norwich Road.

[75] The reluctance of Ms. Lofaro to respond to questions concerning her specific service offerings as indicated above is to be interpreted against the Opponent. This combined with the slimness of the evidence outlined above leads me to conclude that the Opponent has failed to discharge the initial burden on it to establish that the trade-marks ESURANCE and ESURANCE.CA or else, the domain name ESURANCE.CA had become known sufficiently as of the material date to negate the distinctiveness of the Mark. Accordingly, the non-distinctiveness ground of opposition based on these trade-marks and domain name of the Opponent fails.

[76] I would like to add that had the Opponent pleaded that the Applicant was not entitled to registration of the Mark pursuant to s. 16(2)(a) or 16(3)(a) of the Act, the outcome of the opposition might have been different. Pursuant to s. 16(2)(a) or 16(3)(a), the Opponent would have had only to prove prior use of her ESURANCE trade-mark or trade-name and non-abandonment of such mark or name at the date of advertisement of the Mark as opposed to proving that they had become sufficiently known so as to negate the distinctiveness of the Mark pursuant to s. 38(2)(d) of the Act.

Use of the remaining trade-marks, business names or domain names alleged in the statement of opposition

[77] As indicated above, the Opponent has also pleaded that the Mark is not distinctive within the meaning of s. 2 of the Act since it is confusing with a number of third party trade-marks, business names or trade-names used or promoted with insurance services or related services.

[78] A detailed analysis of these third party trade-marks, business names or trade-names is not required in the present case for the following reasons.

[79] First, the Opponent tendered no evidence at all regarding any usage of these alleged third party trade-marks.

[80] Second, while the Opponent did evidence the registration of these alleged domain names with Internet registrars, it is impossible to conclude from the mere registration of such domain names that they have effectively been used so as to negate the distinctiveness of the Mark as of the material date. The Opponent failed to evidence that websites pertaining to these domain names had effectively been set up as of the material date, or else, that the websites available match the domain names secured and were accessed by Canadians at any time and much the less, as of the material date.

[81] Third, while the Opponent did evidence the registration with governmental authorities of business names not alleged specifically in her statement of opposition, it is impossible to conclude from the mere registration of such business names that they have effectively been used so as to negate the distinctiveness of the Mark as of the material date. The Opponent tendered no evidence regarding any usage of these third party business names in the Canadian marketplace.

[82] To sum up, the above evidence concerning alleged third party trade-marks, trade-names or domain names is of no assistance to the Opponent as it falls short of establishing that any of these names had become known sufficiently to negate the distinctiveness of the Applicant's Mark as of the material date. As the Opponent failed to satisfy the initial burden on her, the non-distinctiveness ground of opposition based on these third party names also fails.

Disposition

[83] In view of the foregoing and pursuant to the authority delegated to me under s. 63(3) of the Act, I reject all grounds of opposition except the ground of opposition based upon non-conformity with s. 30(d) of the Act. Accordingly, the statement of services applied for registration on the basis of use and registration abroad is restricted to the following services:

“inspection and examination referral services in the field of insurance and customer needs assessment; product evaluation in the field of insurance”.

Annie Robitaille
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office