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

**Citation: 2019 TMOB 34**

**Date of Decision: 2019-03-29**

**IN THE MATTER OF AN OPPOSITION**

**Pentastar Transportation Ltd.**

**Opponent**

**and**

**FCA US LLC**

**Applicant**

**1,432,154 for PENTASTAR**

**Application**

INTRODUCTION

[1] Pentastar Transportation Ltd. (the Opponent) opposes registration of the trade-mark PENTASTAR, which is the subject of application No. 1,432,154. The application was filed by Chrysler LLC, and was subsequently assigned to Chrysler Group LLC, which then underwent a change of name to FCA US LLC (Chrysler LLC, Chrysler Group LLC, and FCA US LLC referred to as the Applicant unless specified otherwise).

[2] As amended, the application for the Mark is in association with the following goods, and is based on proposed use in Canada:

Engines for passenger motor vehicles, namely automobiles, pickup trucks, vans and sport utility vehicles

(the Goods or Engines)

[3] The key ground of opposition advanced by the Opponent is that the application does not conform with section 30(e) of the *Trade-marks Act*, RSC 1985, T-13 (the Act) in that the Applicant did not have a genuine intention to use the Mark in Canada in association with the Goods.

[4] For the reasons that follow, I find that the opposition ought to be rejected.

#### THE RECORD

[5] The application for the Mark was filed on March 24, 2009 and claims priority from United States application No. 77697097 filed on March 23, 2009.

[6] The application was advertised for opposition purposes in the *Trade-marks Journal* of May 30, 2012.

[7] On October 30, 2012, the Opponent filed a statement of opposition under the Act. Amended statements of opposition were filed on November 4, 2013, December 14, 2015, and March 1, 2016; all were accepted by the Registrar. While a number of grounds of opposition were initially alleged, the Opponent ultimately withdrew all grounds except those raised pursuant to sections 38(2)(a) and 30(e) of the Act.

[8] The Applicant filed a counter statement on July 4, 2013.

[9] In support of its opposition, the Opponent filed the affidavit of Terry Kuzma and a certified copy of the Applicant's application. In support of its application, the Applicant filed the affidavit of Kristen Spano and Dane Penney. In reply, the Opponent filed the affidavit of Genny Louise Delores Joanne Tremblay. The Applicant subsequently sought and was granted leave to file a further affidavit of Kristen Spano, as additional evidence under section 44 of the *Trade-marks Regulations*, SOR/96-195 (the Regulations). Mr. Kuzma, Mr. Penney, Ms. Tremblay and Ms. Spano (on both her first and second affidavits) were cross-examined on their respective affidavits; the transcripts, along with their replies to undertakings, are of record.

[10] Both parties filed a written argument. Subsequent to filing its written argument, the Opponent corrected a typographical error in paragraph 185 of the document.

[11] Both parties were also represented at a hearing.

#### EVIDENTIAL BURDEN AND LEGAL ONUS

[12] Before considering the grounds of opposition, it is necessary to review some of the requirements with regard to (i) the evidential burden on an opponent to support the allegations in the statement of opposition and (ii) the legal onus on an applicant to prove its case.

[13] With respect to (i) above, there is an evidential burden on an opponent to support the facts in its allegations pleaded in the statement of opposition [*John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298]. An evidential burden on an opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist. With respect to (ii) above, the legal onus is on an applicant to show that the application does not contravene the provisions of the Act as alleged by an opponent (for those allegations for which the opponent has met its evidential burden). A legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against an applicant.

#### OVERVIEW OF THE EVIDENCE

[14] In addition to filing a certified copy of the file history for the subject application, the Opponent filed as its evidence pursuant to section 41 of the Regulations the affidavit of Terry Kuzma, a private investigator (sworn November 4, 2013). Mr. Kuzma's affidavit introduces the results of investigations he conducted for documents relating to the introduction, production and sale of the Applicant's PENTASTAR engines in Canada and the United States. The affidavit also contains excerpts from the file history for the Applicant's corresponding US application No. 77697097, and results of online searches providing information as to the steps from introduction, production and sale of the PENTASTAR engine, 2013 Dart, and 2014 Jeep Cherokee. Other portions of the Kuzma affidavit relate to grounds of opposition that are no longer at issue.

[15] As its evidence pursuant to section 42 of the Regulations, the Applicant filed the affidavit of Kristen Spano (sworn October 24, 2014), senior trade-mark counsel for the Applicant (First

Spano affidavit). In this role, which she assumed in February 2012, Ms. Spano has responsibility in managing and developing strategy in relation to Chrysler's worldwide trade-mark portfolio. She has responsibility for all the Applicant's brands. Ms. Spano provides evidence relating to the background of Chrysler, and the history of the "PENTASTAR Logo" as a corporate symbol of Chrysler for decades dating back to the 1960s (paras 9-16; Exhibits 4,5). I note that the trade-mark at issue, namely the word PENTASTAR, is distinct from the Applicant's PENTASTAR Logo, despite being named after this corporate logo (para 20). Ms. Spano also provides evidence relating to the introduction, continuation, and advertising of the PENTASTAR engine in Canada.

[16] The Applicant also filed the affidavit of Dane Penney, sworn October 28, 2014. Mr. Penney is employed as an intellectual property services clerk with the agent for the Applicant. Included in the Penney affidavit is a copy of the file history for the subject application, and printouts of various searches including a Google images search for the "Pentastar Logo", Wikipedia articles on topics including the history of Chrysler, and search results for the terms "pentastar" and "#pentastar" from the Twitter website. Also included are printouts of third party webpages (with archived versions from the Wayback Machine) that reference the term "Pentastar" in association with the Applicant and the Applicant's vehicles, and videos of television ads (which do not appear to be limited to Canada) taken from the YouTube website for the Applicant's vehicles, some of which date back to the 1970s.

[17] As its evidence pursuant to section 43 of the Regulations, the Opponent filed the affidavit of Genny Louise Delores Joanne Tremblay, sworn May 11, 2016. Ms. Tremblay is a private investigator who was asked by the agent for the Opponent to conduct an investigation and gather documents regarding the presence of the word PENTASTAR on material accompanying vehicles purchased from a Chrysler dealer in the Ottawa/Gatineau area at the time customers take possession of such vehicles (Tremblay affidavit, para 4). Ms. Tremblay's affidavit introduces evidence of her visits in May 2016 (Tremblay cross, Q3,4) to a Chrysler car dealership in Ottawa, and her inquiries regarding the presence of the word PENTASTAR on vehicles (namely, a 2016 Jeep Wrangler) and on supporting materials relating to vehicles (for the Jeep Wrangler and 2016 Chrysler 200), including bills of sale, promotional materials, and user and owner manuals. The Tremblay affidavit also includes photographs of engines in and supporting materials for 2013 Jeep Wranglers owned by third parties.

[18] The Applicant subsequently sought and was granted leave pursuant to section 44 of the Regulations to file the affidavit of Kristen Spano, sworn November 7, 2016 (Second Spano affidavit). Included in this affidavit is additional information on the Chrysler 200 sold by the Applicant with PENTASTAR engines, as well as representative invoices from the Applicant to the same car dealership visited by Ms. Tremblay for vehicles including a Chrysler 200C and a Jeep Wrangler.

[19] In reaching my decision I have considered all the evidence in the file. However, only those portions of the evidence that are directly relevant to my findings are discussed.

#### SECTION 30(E) GROUNDS OF OPPOSITION

[20] The Opponent has pleaded two grounds of opposition under section 38(2)(a) and 30(e). The primary ground alleged by the Opponent is that pursuant to section 38(2)(a), the application does not conform to subsection 30(e) in that the Applicant did not have a genuine intention to use the Mark in Canada in association with the Goods. In particular, the Opponent has focused on the issue of whether, at the time the application was filed, the Applicant genuinely intended to perform the activities in Canada that are required under section 4(1) and 4(3) to constitute “use” of the trade-mark PENTASTAR.

[21] Put another way, the issue advanced by the Opponent is whether the Applicant, at the filing date of the application, genuinely intended that in Canada, at the time of transfer of the property in or possession of the Goods, the trade-mark PENTASTAR would be marked on the Goods or on the packaging for the Goods, or would be in any other way so associated with the Goods such that notice of the association would be given to the person to whom property or possession of the Goods would be transferred.

[22] The Opponent takes the position that the Applicant’s evidence shows a pattern of behavior from the filing date of the application to the cross-examination of its main affiant over six years later that is consistent with an intention throughout that whole period to perform only other activities of its own choice, and to rely on only those activities as being “use”. The Opponent submits that these activities, largely comprising advertising and promotion by the Applicant of its Goods (discussed below), are not what is required under the *Act*, such that the

Applicant's claim of an intent to use the Mark with the Goods as of the filing date of the application, as "use" is defined in the Act, was incorrect and therefore not genuine.

### **Has the Opponent Met its Evidential Burden?**

[23] Since the facts concerning the Applicant's intentions are primarily within the knowledge of the Applicant, the burden of proof on the Opponent with respect to this ground is lighter [*Molson Canada v Anheuser-Busch Inc* (2003), 2003 FC 1287 (CanLII), 29 CPR (4th) 315 (FCTD); *Canadian National Railway Co v Schwauss* (1991), 35 CPR (3d) 90 (TMOB)]; and *Green Spot Co v JB Food Industries* (1986), 13 CPR (3d) 206 (TMOB)]. The Opponent may rely on its own evidence and the Applicant's evidence [*Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) (FCTD)]. However, the Opponent may only rely on the Applicant's evidence if it is clearly inconsistent or puts into issue the claims set forth in the Applicant's application. On this issue, all of the pertinent evidence of record is to be assessed according to the usual criteria, that is, taking into consideration its provenance (including its quality and reliability), the absence of evidence that might reasonably be expected to exist, whether the evidence has been tested on cross-examination and if so, how it fared. Multiple diverse considerations inform the assessment of evidence [*Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd* 2014 FC 323, para 37].

[24] The material date for assessing a ground of opposition under section 30(e) of the Act is the filing date of the application [*Canadian National Railway Co v Schwauss, supra*]. However, the fact that the material date is the filing date of the application does not preclude the consideration of evidence arising subsequent to that date insofar as it may indicate a situation arising as of the material date [*Bacardi & Co v Jack Spratt Manufacturing* (1984), 1 CPR (3d) 122 at 125-126 (TMOB); *Santa Barbara Restaurant Group, Inc v Jay Veto*, 2014 TMOB 286 (CanLII) at para 18].

[25] The Opponent has framed the assessment of its evidential burden around the consideration of four questions, all purportedly relating to the Applicant's intent to use the Mark in accordance with section 4 of the Act. Each question is assessed in extensive detail in the Opponent's written argument; a brief summary of the key submissions relating to each question is set out below.

Did the Applicant intend to sell Engines bearing the Mark?

[26] The Opponent submits that the evidence casts serious doubt that the Applicant ever intended for the word PENTASTAR to be marked on the Engines. The Opponent submits that the evidence shows that after six years of being on the Canadian market and significant sales, the engines identified by Ms. Spano as being the PENTASTAR engines do not have the word PENTASTAR marked on them. In particular, the Opponent notes:

- On April 8, 2009, Chrysler unveiled a new 3.6-liter V6 engine named PENTASTAR after Chrysler's Pentastar Logo (First Spano affidavit, para 20; Exhibit 15). Production of the PENTASTAR engine launched in March 2010 and these engines were included in the Applicant's vehicles sold in the US, Canada, and elsewhere as of Fall 2010 (the 2011 model year) (First Spano affidavit, para 21).
- By October 29, 2013, the production of Chrysler PENTASTAR engines reached 3 million, and Chrysler Canada reported that 48% of all Chrysler Group vehicles sold in Canada from January-October 2013 (over 100,000 vehicles) were equipped with PENTASTAR engines (First Spano affidavit, para 22; Exhibit 17; First Spano cross at Q355).
- The PENTASTAR engine is featured in a significant number of the Applicant's vehicles (First Spano cross, Q 355). The PENTASTAR engine is available on the Dodge Journey, Avenger, Charger, Challenger, Grand Caravan and Durango; Jeep Wrangler and Grand Cherokee; Chrysler 200, 300 and Town & Country; and RAM 1500, Van and Promaster (First Spano affidavit, para 25).
- Since the launch of the PENTASTAR engine in the 2011 model year, the Applicant has sold over 500,000 vehicles equipped with the PENTASTAR engine in Canada (para 26).
- During the cross-examination of Ms. Spano in December 2015, the Applicant acknowledged that the Mark does not appear on the engines (First Spano cross at Q242; Q253).
- Ms. Tremblay's investigation in May 2016 disclosed that the Mark does not appear on the engines. During her visit to an Ottawa area Chrysler dealership, Ms. Tremblay asked to see and was shown a 2016 model Jeep Wrangler (para 7). She looked at the engine of the Jeep Wrangler and did not see the word PENTASTAR anywhere on the engine (Tremblay affidavit, para 9, Exhibit GT-1). Other markings, such as JEEP and V6, appeared on the engine (Tremblay affidavit, para 9, Exhibit GT-1).
- Ms. Tremblay asked what kind of engine the vehicle had and was advised by the sales associate that it was a "3.6", "the Pentastar". Ms. Tremblay asked the sales associate how he knew it was a "Pentastar" and was advised that "[I]t doesn't really say anywhere that it's a Pentastar, we just know it's a Pentastar" (Tremblay affidavit, para 10).

- Photographs of another of the Applicant's engines show that a trade-mark (HEMI) is marked on these engines (Spano First cross, Q288).

[27] In its written argument, the Opponent also submitted that Ms. Spano did not state that the Applicant intended, at the time of filing of the application or ever, for the mark PENTASTAR to appear on the PENTASTAR engines in vehicles that would be sold in Canada. At the hearing, in response to this submission, the Applicant noted that the Opponent did not put to Ms. Spano during her cross-examination the question of whether the Applicant had the requisite intention at the time of filing, with the result that the Opponent cannot be considered to have elicited a clearly inconsistent answer on this point.

Did the Applicant intend to sell Engines in packaging bearing the Mark?

[28] The Opponent submits that the evidence casts serious doubt that the Applicant ever intended for the word PENTASTAR to be marked on packaging in which the Engines would be sold. Specifically, the Opponent notes that the only evidence relating to packaging is in the cross-examination on the First Spano affidavit, where Ms. Spano stated that the word PENTASTAR "likely" appears in packaging materials (First Spano cross, Q242), for replacement parts (Q243). However, no evidence of engine packaging bearing the Mark was attached to the First Spano affidavit (Q244, 245), nor does it appear elsewhere on the record.

Did the Applicant intend to apply the Mark in Canada on the Engines or on the packages in which they are contained, when the Engines are exported from Canada?

[29] In addition to the Opponent's submissions regarding the Applicant's intent to use the Mark on the Engines or on packaging for the Engines (set out above), the Opponent submits that there is nothing in the evidence to suggest that the Applicant ever intended to export the Engines from Canada.

[30] The Opponent submits that on the contrary, if anything, the evidence suggests the Applicant's intention has always been that the Engines would be manufactured in the United States and Mexico. In this regard, reference is made to a number of press releases included in the First Spano affidavit, which identify plants for the production of the PENTASTAR engine located in Trenton, Michigan and Saltillo, Mexico (Exhibit 15, 17).



[31] At the hearing, the Applicant again noted that the Opponent did not ask, during the First Spano cross-examination, about the Applicant’s intent in this regard. The Applicant submits that the fact that the Applicant may not yet have availed itself of the opportunity to export from Canada does not foreclose it from having had or having an intention to manufacture the Goods in Canada and to subsequently avail itself of section 4(3) of the Act.

Did the Applicant intend to sell Goods associated with the Mark at the time of transfer of the Goods such that notice of the association was made?

[32] The Opponent submits that the evidence points overwhelmingly to the Applicant’s intention at all times to advertise and promote its Engines in association with the Mark, but not for the advertising or promotional material to be given to purchasers at the time of transfer of the vehicles containing the Engines.

[33] In its written argument and at the hearing, the Opponent emphasizes the following statement made by Ms. Spano at cross-examination (First Spano cross, Q252):

Q	Let me rephrase. Can you point to me in your evidence an image of where the word PENTASTAR is on an engine?
A (by Ms. Spano)	I can show you a picture of PENTASTAR used as the name of an engine in point of sale material, which is sufficient for trade-mark use.

[34] The Opponent considers this to be a clear statement of the Applicant’s intention of how the Mark was to be used and would be used.

[35] In the First Spano affidavit, Ms. Spano stated that the Applicant “advertises and promotes its vehicles and their respective features, including PENTASTAR engines, to end users through national advertising media, such as television commercials and print publications, as well as through the Chrysler, Jeep, Dodge and Ram brand websites” and to end users at dealerships in Canada (First Spano affidavit, paras 27-29, Exhibits 18-20). The dealership materials attached to the affidavit appear to consist of brochures (Exhibit 20) bearing the Mark.

[36] On cross-examination, Ms. Spano also listed various point of sale materials that would be used such as brochures and hang tags on vehicles (First Spano cross, Q446-450) and other dealership materials used to advertise and promote the PENTASTAR engine (including wheel

stands, smaller brochures, posters, and tent cards; First Spano cross, Q457-Q343-345). However, with the exception of brochures (First Spano affidavit at para 29, Exhibit 20), none of these other materials are attached in her affidavit. Moreover, Ms. Spano does not have any actual knowledge of what happens at a dealership but can only inform us of what she assumes happens there (Q344,345).

[37] The Opponent submits that Ms. Spano did not tender any evidence that the brochures, advertising, or point of sale materials accompany the vehicles at the time customers take possession or property of the vehicles containing the Engines. The Opponent further submits that Ms. Spano “also did not tender any evidence that the Applicant’s plans at any time were that the brochures, advertising, or “point of sale materials” would accompany the vehicles at the time customers would take possession or property of the vehicles” (emphasis added) (Opponent’s written argument, paras 143, 144).

[38] The Opponent submits that the only evidence of what actually happens at a dealership is in the Tremblay affidavit. When Ms. Tremblay attended at the Chrysler dealership in May 2016, she obtained copies of sections from a manual containing some information about the Jeep Wrangler, and a pamphlet for the 2016 Chrysler 200 (Tremblay affidavit, paras 12-15; Exhibits GT-2, GT-3), both of which bear the Mark. Ms. Tremblay asked the sales associate if these materials would accompany the vehicle when the vehicle is delivered to the customer and was told they did not (Tremblay affidavit, para 16).

[39] In addition, contrary to Ms. Spano’s statement that any vehicle that has a PENTASTAR engine in it would have a user manual that references the PENTASTAR engine in that manual (First Spano cross, Q450), the Opponent submits that Ms. Tremblay’s investigations did not locate any reference to the PENTASTAR Engine in various vehicle user guides (2013 and 2016 Jeep Wrangler) and owner manuals (2015 and 2016 Jeep Wrangler) (Tremblay affidavit, paras 21-24; Exhibit GT-5). The Opponent further notes that during the cross-examination of Ms. Tremblay, the content of these user guides and owner’s manuals was not put into issue by the Applicant (Tremblay cross-examination, Q47-52 only relate to the years of the user guides provided).

[40] The Opponent also introduced, through the Tremblay affidavit, a draft document provided in response to Ms. Tremblay's request for a bill of sale for the Jeep Wrangler "such as would be given to a customer when the customer purchases the vehicle" (Tremblay affidavit, para 17). The word PENTASTAR does not appear on the document (para 20, Exhibit GT-4).

[41] Actual invoices from 2016 for the purchase of the Applicant's vehicles – from the Applicant's Canadian subsidiary FCA Canada Inc. to the same dealership attended by Ms. Tremblay – were introduced in the Second Spano affidavit. FCA Canada Inc. (previously Chrysler Canada Inc.) is a licensee of the Applicant (First Spano affidavit, para 7). The Opponent has questioned the propriety and credibility of the invoices, submitting that they were not filed in response to Ms. Tremblay's affidavit, but rather, "solely to fix what hadn't been provided before" (written argument at para 163). At the hearing, the Applicant submitted that given that leave to file the Second Spano affidavit was granted and the Opponent did not seek judicial review of the Registrar's decision, that the affidavit should be considered proper evidence under section 44 of the Regulations. I agree and thus have not questioned the propriety of the evidence.

[42] In the Second Spano affidavit, Ms. Spano explains that neither FCA US nor FCA Canada Inc. has any ownership interest in most Canadian dealerships (para 4) and that FCA Canada Inc. invoices dealerships for vehicles delivered to those dealerships (para 10). Included are invoices from 2016 for a Chrysler 200C, a Jeep Wrangler Unlimited Rubicon, and a Dodge Grand Caravan SE/SXT (Exhibit 4). Ms. Spano states (at para 10) that:

...The Chrysler 200C vehicle invoice lists a 3.6 PENTASTAR VVT V6 engine as a \$1760 option. The Jeep Wrangler Unlimited Rubicon and a Dodge Grand Caravan SE/SXT vehicle invoices list a 3.6 PENTASTAR VVT V6 engine as "no charge" (as in both those vehicle models, there is no engine option- the 3.6 PENTASTAR VVT V6 engine is the standard engine). These vehicle invoices are representative of other vehicle invoices sent to Metro Plymouth Chryslers Ltd., as well as to other Canadian dealerships, in 2016 and in prior years (including back to when the PENTASTAR branded engine was first introduced in Canada) for Chrysler 200C, Jeep Wrangler Unlimited Rubicon and Dodge Grand Caravan SE/SXT models delivered to Canadian dealerships.

[43] I confirm that the Mark appears in the body of these invoices and is applied as a trademark in describing the Engines.

[44] When asked when the invoices would be received by the dealership in the timeline process, Ms. Spano stated that she did not know if they receive the vehicle and then they receive the invoice, or if they receive the invoice and then they receive the vehicle, or if it is simultaneous (Second Spano cross, Q68). When asked by the Opponent to confirm that her statement (at para 10 of the affidavit) does not say that the invoices accompany the vehicles when they are delivered to the dealerships, Ms. Spano stated that “there is no statement either way” (Second Spano cross, Q140).

[45] In its written argument, the Opponent argued that it can be presumed from Ms. Spano’s consistent use of the word “sent” for the invoices and “delivered” for the vehicles, in the affidavit as well as in her answers on cross-examination, that the invoices and vehicles did not accompany each other when they arrived at the dealership (written argument para 170) with the result that the invoices do not constitute use of the Mark under section 4.

[46] Through the Second Spano affidavit, the Applicant also submits printouts from the Chrysler.ca website showing that the PENTASTAR engine is offered as one of two engine options for the Chrysler 200 and that Canadian consumers can build and price the vehicle on the website (Exhibits 2,3). Ms. Spano states that a Canadian consumer who wishes to purchase a 2016 Chrysler 200 with the 3.6L PENTASTAR engine would be required to select the engine package they wish to purchase, and pay an upgrade cost if they selected the PENTASTAR engine option. Ms. Spano states that it is her understanding that “this selection process is representative of the website build and price ability for previous 2011 to 2015 Chrysler 200 models, which also allowed the consumer to specifically select the 3.6L PENTASTAR engine package as an upgrade option over the standard 2.4L engine, and provided the added cost for that upgrade” (paras 8,9; Exhibit 3).

[47] On cross-examination, Ms. Spano indicated that she did not believe it was possible to choose, pay, and have delivered from the website a car (Second Spano cross, Q147-Q149). She also confirmed that there is no statement in her affidavit that says that the website build and price extracts accompany the vehicle upon delivery to the dealership (Q155). Ms. Spano believes that dealers can pull up the website at the dealership if they want to inform the consumer or show the consumer more information about the vehicle (Q153), although as noted by the Opponent, when

Ms. Tremblay attended at a dealership, the online tool for building and costing a vehicle did not work (Tremblay affidavit, para 17). The Opponent further submits that in any event, the website does not accompany the vehicles when they are delivered.

[48] Citing *BMW Canada Inc v Nissan Canada Inc*, 2007 FCA 255, the Opponent submits that for the use of the Mark in any of these materials to be sufficiently associated with the Engines to constitute use under section 4(1) of the Act, they would have to accompany the vehicles containing the Engines at the time of their transfer to the buyer. While there is evidence that the Mark consistently appears in association with the Goods in marketing materials, and even in invoices, the Opponent submits that what is clearly and critically lacking is evidence that this notice of association was ever made at the required time.

### Analysis

[49] I agree that the evidence of record does not conclusively demonstrate use of the Mark in association with the Goods under section 4 of the Act. However, this is not the issue to be considered under section 30(e) of the Act. On the contrary, section 30(e), reproduced below, deals exclusively with an applicant's intent to use the trade-mark:

30. An applicant for the registration of a trade-mark shall file with the Registrar an application containing... (e) in the case of a proposed trade-mark, a statement that the applicant, by itself or through a licensee, or by itself and through a licensee, intends to use the trade-mark in Canada;

[50] When all preliminary requirements have been satisfied and the Registrar has allowed a trade-mark application based on upon proposed use, the Registrar will register the trade-mark upon receipt of a declaration of use (see section 40(2) of the Act). There is no requirement for an applicant to use its proposed mark until it is allowed [*Molson, supra* at para 58].

[51] At the hearing, the Applicant submitted that the argument advanced by the Opponent conflates section 30(e) of the Act with section 30(b). I agree that the Opponent has employed an approach more conventionally used to assess whether there has been use of a trade-mark in compliance with section 30(b). This may not be appropriate given that the concepts of "use" and "intent to use" are not interchangeable.

[52] To meet its onus, the Opponent has focused on the post-filing activities of the Applicant to provide insight on the Applicant's intent to use the Mark at the date of filing. As summarized above, the Opponent takes the position that the evidence establishes a pattern of behavior of several years from the filing date of the application that is consistent with an intention only to apply the Mark in advertising and promotion in point of sale materials, but not for the advertising or promotional materials to be given to purchasers at the time of transfer of the vehicles containing the Engines, and to rely on this as constituting trade-mark use. As I understand it, the Opponent's submission is that the evidence shows that the Applicant's claim of intent to use is incorrect given its mistaken belief (as stated by Ms. Spano) that the mere application of the Mark on advertising materials would constitute the requisite use in accordance with section 4 of the Act, thus rendering the application void from the outset (written argument at paras 187-190).

[53] I find that the Opponent fails to meet its evidential burden, in that when considered as a whole, the evidence does not support the Opponent's allegation that the Mark was applied-for without a genuine or *bona fide* intent to use the Mark, pursuant to section 4. While Ms. Spano states, during her first cross-examination, that PENTASTAR used as the name of an engine in point of sale material is sufficient for trade-mark use (and while her evidence does not establish that these materials are given to purchasers at the time of transfer of the vehicles containing the Engines), she does not indicate that the Applicant intends to rely exclusively on this application of the Mark. In other words, I do not interpret this to be an exhaustive statement by the Applicant of how it intended to use and uses the Mark, as a trade-mark. Indeed, the evidence shows that the Mark also appears on invoices. In my view, the statement in question can be distinguished from a situation where an applicant has unequivocally conveyed that the only way that it has used its trade-mark has been in such a way that does not comply with section 4 [see for example, *Cote-Reco Inc v Impressions Pro-design Inc*, 2018 TMOB 141 at paras 51-55 where Board member Robitaille found an applicant's statement that its trade-mark was applied on private-label goods used strictly for promotional purposes, to be inconsistent with the applicant's claims concerning the proposed use of its trade-mark with those goods].

[54] Further, while the evidence shows that the Applicant has not used the Mark in accordance with section 4 of the Act by, for instance, placing it on the Goods themselves, or on their associated packaging, there is nothing in the evidence that is not consistent with the finding that the Applicant intended to do so, at the time of filing of the application, or that it may avail itself of the option to do so in the future.

[55] Notwithstanding the above, I would add that in the event that I am wrong and the Opponent met its evidential burden, I find that the Applicant has met its legal burden.

[56] In this regard, while the Opponent's analysis focuses on the Applicant's post-filing activity to infer the Applicant's intent to use the Mark at the date of filing of the application (March 24, 2009), the record also includes evidence closer to the material date that should be considered. The Applicant points to the Kuzma affidavit which cites press releases introducing the Pentastar engine on April 8, 2009, and celebrating the launch of the Pentastar engine on March 19, 2010 (Kuzma affidavit, paras 6, 7; Exhibits TK-1, TK-2). The same press releases confirming this chronology are cited in the First Spano affidavit (paras 20, 21, Exhibit 15, 16). The Applicant submits that this evidence is in fact as close as one can get to contemporaneous with the application being filed showing intent. I agree that there is nothing in the evidence of the actions of the Applicant leading up to and immediately following the filing of the application to indicate that it did not have a *bona fide* intent to use the Mark in accordance with section 4 of the Act.

[57] Further, and as noted above, while the evidence of record does not conclusively demonstrate use of the Mark in association with goods by the Applicant in accordance with section 4 of the Act, that is not the issue to be considered as the owner of a proposed use application is not required to commence use of its mark at any particular time, although it must do so in order to obtain registration [*Procter & Gamble Inc v Colgate-Palmolive Canada Inc*, 2007 CanLII 81004]. Here, the evidence establishes that the Applicant intended to use the Mark. Subsequent to filing the application, the Applicant included the Mark on point of sale materials, namely brochures (First Spano affidavit, Exhibit 20), and on invoices (second Spano affidavit, para 4, Exhibit 10). I do not consider the fact that the Applicant did not have evidence that the invoices were delivered contemporaneously with the vehicles containing the Engines, or that the

Applicant did not demonstrate that point of sale materials accompany the vehicles containing the Engines at the time of transfer, to prevent the Applicant from meeting its legal onus.

[58] As an aside, I note that at the hearing, the Applicant raised two arguments that were not canvassed in its written argument. As I understand it, one of the arguments is that under section 30(e) of the Act, the “use” that is contemplated is not that in section 30(b), namely use “in association with each of the general classes of goods or services described in the application” with the result that the absence of this wording in section 30(e) “takes it out of the section 4 language”. The Applicant did not provide any supporting caselaw.

[59] Notwithstanding that I may not have correctly understood the assertion, I disagree in view of the definition of “use” as defined by section 2 of the Act, which expressly incorporates section 4 by providing that use “in relation to a trade-mark, means any use that by section 4 is deemed to be a use in association with goods or services”.

[60] As I understand it, the second argument advanced by the Applicant (and not supported by any caselaw) is that in situations where the Mark does not appear on the Goods themselves or on their packaging but is in some other way associated with them, for instance through brochures or invoices, that there is in fact no temporal requirement given the way section 4(1) of the Act (reproduced below) is drafted, specifically the inclusion of the words “or it is”:

4 (1) A trade-mark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred (emphasis added).

[61] I disagree, and consider the temporal requirement (notice of the association being made at the time of transfer of the property) to apply uniformly in assessing use under section 4 of the Act [*Syntex Inc v Apotex Inc*, [1984] 2 F.C. 1012 (Fed CA)].

[62] Accordingly, based on the foregoing, this ground of opposition is rejected.



ADDITIONAL GROUND OF OPPOSITION UNDER SECTION 30(E)

[63] The Opponent has also alleged that contrary to section 38(2)(a), the application does not conform to section 30(e) in that:

... there has been no genuine intention demonstrated by the Applicant for use of the Opposed Mark in relation to the Opposed Goods. In particular the Applicant has not demonstrated, made announcements, or presented any trade-show samples of the Opposed Goods with the Opposed Mark PENTASTAR. Customarily automobile makers demonstrate some kind of commercial intention by advertising, releasing or discussing the production of certain parts, make or model prior to mass production. The Applicant has not demonstrated, made any announcements, or presented any trade-show samples of the Opposed Goods for commercial use or sale with the Opposed Mark. Thus, pursuant to subsection 30(e), the Applicant has not demonstrated a sufficient intent to use the Opposed Mark in Canada, either by itself or through a licensee, or by itself and through a licensee.

[64] I note that the Opponent did not elaborate on this ground of opposition in its written argument or at the hearing.

[65] The Opponent has alleged that customarily, automobile makers demonstrate some kind of commercial intention by advertising, releasing or discussing the production of certain parts prior to mass production, and that the Applicant has not demonstrated, made any announcements, or presented any trade-show samples of the Goods for commercial use or sale with the Mark. However, I note that the Opponent's own evidence, namely the Kuzma affidavit, shows that the Applicant did make announcements regarding the launch and production of the PENTASTAR engine (Kuzma affidavit, paras 5-9, Exhibits, TK-1 through TK-3; paras 22-23, Exhibits TK-12(a), TK-12(b)).

[66] Accordingly, this ground of opposition is rejected.

DISPOSITION

[67] Pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(8) of the Act.

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Jennifer Galeano  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD  
CANADIAN INTELLECTUAL PROPERTY OFFICE  
APPEARANCES AND AGENTS OF RECORD**

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**HEARING DATE** 2018-11-22

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