



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 164

Date of Decision: 21-02-12

IN THE MATTER OF AN OPPOSITION

Magnacharge Battery Corporation

Opponent

and

**East Penn Manufacturing Co., a
Pennsylvania corporation
1,750,252 MAGNA POWER**

Applicant

Application

INTRODUCTION

[1] Magnacharge Battery Corporation (the Opponent) opposes registration of the trademark MAGNA POWER (the Mark), the subject of application No. 1,750,252, that was filed by East Penn Manufacturing Co., a Pennsylvania corporation (the Applicant).

[2] Filed on October 13, 2015, the application is based on the dual basis of use of the Mark in Canada since at least as early as February 21, 2006, as well as use and registration in the United States of America under U.S. registration No. 2,021,392 in association with the following goods:

Electric storage batteries for automobiles, trucks, marine vehicles, golf carts, lawn and garden equipment, namely, mowers and tractors, farm equipment, namely, tractors, harvesters, combines, sprayers, balers and cotton pickers, and power sport equipment,

namely, motorcycles, all terrain vehicles, utility vehicles, snowmobiles, personal watercraft, and excluding flashlight batteries

[3] The application was advertised in the *Trademarks Journal* of November 23, 2016.

[4] The Opponent alleges that (i) the application does not conform to the requirements of section 30(b) of the *Trademarks Act*, RSC 1985, c T-13 (the Act); (ii) the application does not conform to the requirements of section 30(i) of the Act; (iii) the Mark is not registrable under section 12(1)(d) of the Act; (iv) the Applicant is not the person entitled to the registration of the Mark under section 16 of the Act; and (v) the Mark is not distinctive under section 2 of the Act.

[5] All grounds of opposition which are related to allegations of the Mark being confusing are with respect to the Opponent's trademark registration No. TMA632,595 for the trademark MAGNACHARGE (the Opponent's Mark), registered in association with:

Goods

Batteries, namely, batteries for motor vehicles, marine vehicles and commercial transport vehicles, industrial batteries, communication batteries and computer batteries, but specifically excluding flashlight batteries.

Services

- (1) Installation and repairing of batteries for motor vehicles, marine vehicles and commercial transport vehicles, industrial batteries, communication batteries and computer batteries, but specifically excluding flashlight batteries.
- (2) Distribution of batteries for motor vehicles, marine vehicles and commercial transport vehicles, industrial batteries, communication batteries and computer batteries, but specifically excluding flashlight batteries.

[6] As a preliminary matter, I note that the Act was amended on June 17, 2019. All references in this decision are to the Act as amended, with the exception of references to the grounds of opposition, which refer to the Act as it read before it was amended (see section 70 of the Act which provides that section 38(2) of the Act as it read prior to June 17, 2019 applies to applications advertised prior to that date).

[7] For the reasons that follow, I refuse the application.

THE RECORD

[8] The Opponent filed its statement of opposition on January 12, 2017. The Applicant filed and served its counter statement on April 3, 2017 denying all of the grounds of opposition.

[9] In support of its opposition, the Opponent filed the affidavit of Greg Granholm, the President of the Opponent, sworn July 31, 2017, together with Exhibits A through O. Mr. Granholm's evidence provides information pertaining to the Opponent's business and the Opponent's use of the Opponent's Mark.

[10] In support of its Application, the Applicant filed the affidavit of Donna Snyder, the Vice President of Marketing/Advertising of the Applicant, sworn February 27, 2018, together with Exhibits A through N. Ms. Snyder's evidence provides information pertaining to the Applicant's business and the Applicant's use of its Mark.

[11] As reply evidence, the Opponent filed the affidavit of Mr. Darrell Kure, Vice President – Finance of the Opponent, sworn March 22, 2018, together with Exhibit A. Mr. Kure's evidence consists of a printout of a domain name search for "*magnapowerbattery.com*".

[12] None of the affiants was cross-examined on their affidavit.

[13] Both parties filed written representations and requested and attended an oral hearing.

THE PARTIES' RESPECTIVE BURDEN OR ONUS

[14] The Applicant bears the legal onus of establishing, on a balance of probabilities that the applications comply with the requirements of the Act. This means that if a determinate conclusion cannot be reached in favour of the Applicant after a consideration of all of the evidence, then the issue must be decided against the Applicant. 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 [see *John Labatt Limited v The Molson Companies Limited* 1990 CanLII 11059 (FC), 30 CPR (3d) 293 at 298].

[15] With respect to the grounds of opposition, it is the following material dates that apply:

- Sections 38(2)(a)/30 - the filing date of the application, namely, **October 13, 2015** [see *Georgia-Pacific Corporation v Scott Paper Ltd* (1984), 3 CPR (3d) 469 at 475 (TMOB) and *John Labatt, supra* re: section 30(b); and *Tower Conference Management Co v Canadian Exhibition Management Inc* (1990), 28 CPR (3d) 428 at 432 (TMOB) re: section 30(i)];
- Sections 38(2)(b)/12(1)(d) – the date of my decision [see *Park Avenue Furniture Corp v Wickes/Simmons Bedding Ltd* (1981), 37 CPR (3d) 413 (FCA)];
- Sections 38(2)(c)/16(1)(a) and (b) – the date of first use claimed in the application, namely, **February 21, 2006** [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185, 34 CPR (4th) 317 and section 16(1) of the Act];
- Sections 38(2)(c)/16(2)(a) and (b) - the date of filing of the application, namely, **October 13, 2015** [see section 16(2) of the Act]; and
- Sections 38(2)(d)/2 – the date of filing of the statement of opposition, in this case being **January 12, 2017** [see *Metro-Goldwyn-Mayer, supra*].

ANALYSIS

Section 30(b) Ground of Opposition

[16] The Opponent has plead that the Application does not conform to the requirements of section 30(b) of the Act, as the Mark has not been used in Canada by the Applicant or its predecessor in title since the date alleged, namely, February 21, 2006, in connection with goods described in the Application.

[17] While the legal burden is upon an applicant to show that its application complies with section 30 of the Act, there is an initial evidential burden on an opponent to establish the facts relied upon by it in support of its section 30 ground [see *Joseph E Seagram & Sons Ltd v Seagram Real Estate Ltd* (1984), 3 CPR (3d) 325 at 329 (TMOB); and *John Labatt, supra*]. With respect to section 30(b) of the Act in particular, an opponent's initial burden has been characterized as light due to an opponent's limited access to information regarding use

relative to the applicant. While an opponent can meet its initial burden by reference to its own evidence, its burden can in some cases be met with reference to the applicant's evidence [*Corporativo de Marcas GJB, SA De CV v Bacardi & Company Ltd* 2014 FC 323 (*Marcas*); *Molson Canada v Anheuser-Busch Inc* 2003 FC 1287, 29 CPR (4th) 315].

[18] In the present case, as the Applicant submits, the Opponent has not provided any evidence that would bring into question the Applicant's claimed date of first use in association with the Mark. Furthermore, the Opponent has not made any submissions with respect to the Applicant's own evidence that would put into issue the claims set forth in the Applicant's Application. On the contrary, the Applicant submits, and I agree, that it has provided sufficient evidence that confirms that the Mark was in continuous use as of the claimed date of first use. More fulsome details surrounding the Applicant's use of the Mark will be discussed under the grounds of opposition which revolve around confusion.

[19] Accordingly, the section 30(b) ground of opposition is dismissed for the Opponent's failure to meet its initial evidential burden.

Section 30(i) Ground of Opposition

[20] The Opponent has plead that the Application does not conform to the requirements of section 30(i) of the Act since the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the goods described in the Application, because at the time of filing of the Application, the Applicant knew that the Opponent had used or made known the Opponent's Mark in Canada in association with the same or similar goods. Consequently, the Opponent pleads, the Applicant knew or reasonably should have known that the use of the Mark in association with the goods listed in the Application would be likely to (i) be confusing with the Opponent's Mark and thus contravene sections 7(b) and 20 of the Act and/or (ii) depreciate the value of goodwill in the Opponent's Mark in contravention of section 22 of the Act.

[21] In support, the Opponent submits that it is unreasonable to believe that the Applicant would have begun using the Mark in Canada and then filed the Application without first conducting a trademark clearance search. The Opponent further submits that the Applicant

would also have had knowledge, as a participant in the battery industry in Canada, of the Opponent's prior use, making known, advertising and display of the Opponent's Mark in Canada.

[22] However, as the Applicant submits, section 30(i) of the Act merely requires that an applicant include a statement in its application that it is satisfied that it is entitled to registration of its trademark. Where this statement has been provided, as in the present case, a section 30(i) ground should only succeed in exceptional cases, such as where there is evidence of bad faith on the part of the applicant [*Sapodilla Co Ltd v Bristol Myers Co* (1974), 15 CPR (2d) 152 (TMOB)]. The Applicant submits, and I agree, that no evidence of bad faith has been provided by the Opponent nor any evidence to support that this is an exceptional case. Indeed, even if the Applicant had been aware of the Opponent's Mark, the mere knowledge of the existence of the Opponent's Mark does not in and of itself support an allegation that the Applicant could not have been satisfied of its entitlement to use the Mark [see *Woot, Inc v WootRestaurants Inc Les Restaurants Woot Inc* 2012 TMOB 197].

[23] The section 30(i) ground of opposition is therefore dismissed for the Opponent's failure to meet its initial evidential burden.

Sections 16(1)(a) and 16(2)(a) Grounds of Opposition

[24] The Opponent has plead that the Applicant is not entitled to registration of the Mark because at the date of first use or making known of the Mark, namely, February 21, 2006 [per 16(1)(a)], and at the date of filing of the Application, namely, October 13, 2015 [per 16(2)(a)], the Mark was confusing with the Opponent's Mark which had been previously used and made known in Canada by the Opponent in association with the same or similar goods listed in the Application, and the Opponent has continued to use and make known the Opponent's Mark in Canada since then and has not abandoned use of it either prior to February 21, 2006 or subsequently.

[25] With respect to the ground of opposition based on section 16(1)(a) of the Act, the Opponent has an initial burden of establishing that its trademark alleged in support of this ground of opposition was used or made known prior to the Applicant's claimed date of first use, namely,

February 21, 2006, and was not abandoned at the date of advertisement of the application for the Mark (November 23, 2016) [section 16(5) of the Act].

[26] With respect to the ground of opposition based on section 16(2)(a) of the Act, the Opponent's initial burden is to establish that it had used the Opponent's Mark in Canada prior to the filing date of the application for the Mark, namely, October 13, 2015, and that it had not abandoned its mark as of the date of advertisement of the application for the Mark [section 16(5) of the Act].

[27] As previously indicated, with respect to use of the Opponent's Mark, the Opponent provides the affidavit of Mr. Granholm.

[28] Mr. Granholm states that the Opponent has been carrying on business since 1966. He explains that the Opponent is a battery retailer, wholesaler, distributor and service provider, and also recycles batteries, with locations and/or distribution centres across Canada (a complete listing of which is attached as Exhibit A to his affidavit).

[29] In terms of channels of trade, Mr. Granholm explains that the MAGNACHARGE branded batteries are sold wholesale to distributors and automotive parts stores, and are then eventually sold to the public through independent retail outlets. The batteries are also sold directly to the public through the Opponent's own retail outlets. Customers of the Opponent include trucking companies, trucking distributors, golf cart dealers, warehouses, construction companies, transit companies, fire equipment companies, janitorial companies, battery specialists, automotive parts stores, RV/Marine stores, wheelchair/scooter stores, equipment rental stores, lighting and key stores, and companies using batteries for solar applications. He states that this list of customers is representative of the type of customers the Opponent has dealt with over the past 30 years.

[30] Mr. Granholm states that the Opponent's entire product offering falls under the following categories: automotive batteries; marine/RV batteries; deep cycle batteries; motorcycle batteries; commercial batteries; industrial batteries; batteries for forklifts, golfcarts, wheelchairs and scooters; uninterruptible power source (UPS) batteries; battery chargers; and battery accessories. In support, he provides:

- Exhibit B – a list of batteries currently sold by the Opponent. Mr. Granholm states that the list is representative of the types of MAGNACHARGE batteries sold by the Opponent since 1987; and
- Exhibit C – a list of all of the MAGNACHARGE branded batteries currently sold by the Opponent, with their associated prices, as of February 15, 2017. He states that the price list is representative of the type of MAGNACHARGE-branded batteries sold by the Opponent since 1987.

[31] At paragraph 14 of his affidavit, Mr. Granholm provides revenue figures generated by the Opponent from its Canadian operations, solely from MAGNACHARGE branded batteries for the years 2003 to June 30, 2017, broken down by province. I note the annual revenue ranges from a low of over \$4 million in 2003, to almost \$27 million in 2016.

[32] Mr. Granholm states that the Opponent has used the Opponent’s Mark continuously in Canada since 1987 in association with “batteries, namely, batteries for motor vehicles, marine vehicles, commercial transport vehicles and industrial batteries; and in association with the distribution, installation and repair of such batteries.”

[33] In addition to filing a certified copy of the Opponent’s registration based on use since January 1987 under Exhibit G to his affidavit, Mr. Granholm attaches the following exhibits which he states are representative of how the Opponent’s Mark has been used by the Opponent since 1987:

- Exhibit D – a copy of an industrial battery quote dated January 16, 2006, with the Opponent’s Mark appearing in the top left corner within a lightning bolt design;
- Exhibit E – a copy of a packing slip dated April 24, 2007 in association with the sale of a large industrial battery. Again, the Opponent’s Mark appears in the top left corner with a lightening bolt in the background; and
- Exhibit H – photos depicting the Opponent’s Mark as used on various batteries. The Opponent’s Mark appears prominently on the batteries, with various lightning bolt designs appearing in the background.

[34] Lastly, with respect to display of the Opponent's Mark in association with services and advertising of the Opponent's goods and services, Mr. Granholm provides the following:

- Exhibit F – images of signage at several of the Opponent's offices and distribution centres, which he states are representative of the signage at all of the Opponent's offices and distribution centres;
- Exhibits I, J, and K – print-outs from the Opponent's website as it appeared on July 14, 2017 and February 4, 2005 respectively, as well as website traffic statistics for the period November 2015 to May 2017 for the website *www.magnacharge.com*. He states that the printout at Exhibit J is representative of the way the Opponent's website has appeared since 1999, the year in which it was launched;
- Exhibits L, M, and N – third party website printouts regarding the Opponent's attendance and/or sponsorship at industry trade show events, including a photograph of the Opponent's display booth at one such tradeshow in 1999, which clearly displays the Opponent's Mark; and
- Exhibit O – a 'recent' article from Auto Trade Magazine featuring the Opponent.

[35] The Applicant submits, however, that the Opponent has not provided sufficient evidence that it has used MAGNACHARGE as a trademark. In this regard, the Applicant submits that the evidence suggests that the Opponent used MAGNACHARGE and MAGNACHARGE BATTERY as tradenames. In particular, the Applicant submits, the Opponent's evidence shows that the Opponent's Mark appears generally in association with an address and corporate contact information or as an identifier of a legal entity and would therefore be perceived as a tradename [such presumption not having been rebutted per *Road Runner Trailer Manufacturing Ltd v Road Runner Trailer Co* (1984), 1 CPR (3d) 443 (FCTD) at para 16].

[36] I disagree with the Applicant. The evidence shows that the Opponent's Mark clearly appears on a variety of batteries, which Mr. Granholm attests is representative of such use since 1987, as well as on signage at its distribution centres; such display is not in the context of an

address and corporate contact information or as an identifier of a legal entity and thus does not lead to a presumption of tradename rather than trademark use.

[37] The Applicant further submits that any use of the Opponent's Mark has been *ad hoc* and *de minimis*, which does not support a conclusion that its trademark has become known to any extent [*Nada Fashion Designs Inc v Ghodsi*, 2013 TMOB 115 at para 30]. In this regard, the Applicant submits that the Opponent does not provide any evidence of sales prior to April 24, 2007 (packing slip for the sale of a single battery), and although the Opponent's Mark was registered on the basis of use since at least January 1987, the Granholm affidavit only provides bald assertions of such earlier use. In support, the Applicant alleges further deficiencies in the Granholm affidavit as follows:

- The Exhibit D battery quote dated January 16, 2006 contains no Canadian consumer information, no pricing information and no proof of sale, and the Opponent has not provided any link between the referenced part number and its MAGNACHARGE goods, such that this quote is not evidence of use in the normal course of trade for the goods;
- The annual revenue figures provided at paragraph 14 of the Granholm affidavit only cover the years 2003-2017, with no breakdown provided as to the nature, types or units of batteries sold or how the revenue was apportioned between goods and services (if at all);
- The Granholm affidavit does not provide any evidence of actually performing the services in Canada in association with the Opponent's Mark beyond a bald assertion; and
- The Granholm affidavit is vague as to advertising expenditures and revenue, as well as circulation figures for any advertising conducted by the Opponent.

[38] The Opponent submits that for meeting its burden, what is important is previous use, not how much use. In any event, the Opponent submits that its evidence shows more than *de minimis* use, and meets its burden of adducing 'sufficient' evidence in support of its claim [per *John Labatt, supra*]. Further, the Opponent submits that it is not necessary to provide sales revenues for each type of battery; while that kind of evidence may be important for section 45

expungement proceedings, the Opponent need only demonstrate prior use of its mark in association with its goods, which it has done.

[39] Again, I find for the Opponent. While the packing slip regarding the sale of a single battery is dated 2007, the Opponent has provided significant revenue figures from 2003-2017 regarding its goods and services. This, in combination with the above-mentioned representations as to how the Opponent's Mark appeared in association with its goods and services, and Mr. Granholm's sworn statements surrounding such evidence, is sufficient.

[40] Accordingly, I am satisfied that the Opponent has met its initial burden of establishing that its MAGNACHARGE trademark alleged in support of these grounds of opposition was used prior to the claimed date of first use set out in the Application, as well as the filing date, and was not abandoned at the date of advertisement of the Application. I now have to determine, on a balance of probabilities, if the Applicant's Mark is likely to cause confusion with the Opponent's MAGNACHARGE trademark.

The test for confusion

[41] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would be likely to lead to the inference that the goods or services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

[42] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: a) the inherent distinctiveness of the trademarks and the extent to which they have become known; b) the length of time each has been in use; c) the nature of the goods, services or business; d) the nature of the trade; and e) the degree of resemblance between the trademarks in appearance or sound or in the ideas suggested by them. These criteria are not exhaustive and it is not necessary to give each one of them equal weight [see, in general, *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, 1 SCR 772 (SCC) at para 54; *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006

SCC 23, 49 CPR (4th) 401; and *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361].

Section 6)(5)(a) – the inherent distinctiveness and the extent to which the marks have become known

[43] The overall consideration of the section 6(5)(a) factor, involves a combination of inherent and acquired distinctiveness of the parties' marks.

[44] Indeed, the strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use.

[45] With respect to inherent distinctiveness, the Opponent submits that as the Applicant's Mark is identical in format to the Opponent's Mark (*i.e.* begins with MAGNA and is followed by another word), the respective degree of inherent distinctiveness for each mark is identical or substantially similar.

[46] The Applicant agrees that the inherent distinctiveness factor does not favour either party, as the Applicant submits that neither party's marks has a high degree of inherent distinctiveness. In this regard, the Applicant submits that the Opponent's Mark includes the laudatory prefix MAGNA, meaning "great", combined with the ordinary dictionary word CHARGE. The Opponent submits that the Applicant did not file any evidence to support this allegation, and as there is no evidence that MAGNA is an English word or a French word, no weight should be given to the Applicant's submission. However, at the oral hearing, the Applicant requested that judicial notice be taken that the word MAGNA is a dictionary entry, as a superlative meaning "great" [citing *Tradall SA v Devil's Martini Inc*, 2011 TMOB 65 re: judicial notice and inherent distinctiveness]. On balance, even if I were to take judicial notice, I would still consider the term MAGNA to have some degree of inherent distinctiveness; although suggestive, MAGNA is not a common or ordinarily used 'superlative' in the English or French language akin to words such as 'super', 'best', or even the word 'great' itself. Indeed, dictionary entries indicate that MAGNA does not appear in isolation, but as part of compounded terms or phrases of Latin origin, such as *magna cum laude*.

[47] Ultimately, however, I agree with both parties, that the parties' marks share the same or a similar degree of inherent distinctiveness. Both parties' marks begin with the term MAGNA, followed by an ordinary dictionary word (POWER or CHARGE) that relates to the parties' goods and services; as such, this factor does not favour either party.

[48] With respect to acquired distinctiveness, the Opponent submits that the Applicant's Mark has not become known to any significant extent. In this regard, the Opponent notes per the Applicant's evidence (the Snyder affidavit, at para 16), that between 2006 and 2014, the Applicant merely generated between \$16,222.92 and \$221,578.40 in sales per year from the sales of its goods in association with the Mark.

[49] The Opponent submits that by contrast, its MAGNACHARGE Mark is known to a significant extent, having generated high annual total sales revenues each year since 2004, and being known to large Canadian distributors of automotive products. Further to this the Opponent submits that its MAGNACHARGE Mark is also featured in trade magazines, prominently displayed at sponsorship events and trade shows, and more than 58,000 unique visitors have visited the Opponent's Magnacharge webpage between November 1, 2015 and May 15, 2017. I note however, that these website statistics post-date the material dates under these grounds of opposition.

[50] The Applicant submits in response, that its batteries are priced much lower than the Opponent's (per Snyder affidavit, para 19), representing more units of sales, and that the Opponent's sales figures could be representative of only a small amount of sales of expensive goods.

[51] The evidence shows that both parties' goods have been sold throughout Canada. While I note that the Applicant's sales did substantially increase in 2015, it's sales are still modest in comparison to the Opponent's. Furthermore, although the evidence shows that the Opponent sells batteries that are priced in the \$1,000's of dollars, the evidence also shows that the Opponent has a wide product offering which includes automotive/commercial batteries priced as low as \$130.15, which is comparable to the Applicant's price point per the Snyder affidavit. There is nothing in the Opponent's evidence to suggest that its revenues only or predominantly pertain to the more expensive product offerings.

[52] Consequently, having regard to the foregoing, I find that the acquired distinctiveness factor favours the Opponent.

Section 6(5)(b) – the length of time of use

[53] As discussed under the section 6(5)(a) factor above, as well as in the discussion regarding the Opponent's burden being met under these grounds, I accept that the Opponent has shown prior use of the Opponent's Mark in Canada.

[54] Consequently, this factor also favours the Opponent.

Sections 6(5)(c) and (d) - the nature of the goods and services and business or trade

[55] The Opponent submits that the parties' respective goods are identical or at least substantially similar. In this regard, the Opponent submits that both the Applicant's goods and the Opponent's goods pertain to batteries for various motor vehicles, with both parties' goods specifically excluding flashlight batteries.

[56] Further to the above, the Opponent submits that the Applicant's goods are directly related to the Opponent's services, in particular, the distribution, installation and repairing of batteries for various motor vehicles, industrial batteries, communication batteries and computer batteries, but specifically excluding flashlight batteries.

[57] The Applicant has not disputed the similarity in the nature of the parties' goods.

[58] With respect to the nature of the trade of the parties, the Opponent submits that it is also the same or substantially similar, as are the parties' channels of trade. In this respect, the Opponent submits that both the Applicant and the Opponent use distributors of automotive parts and products to access the retail marketplace, wherein both parties' goods are sold at auto-parts retail outlets.

[59] The Applicant submits that although both parties' goods are sold through distributors and dealers for ultimate sale to end consumers, a party's actual trade must be considered as a basis for determining the likelihood of the parties' channels of trade overlapping. In the present case, the Applicant submits, the Opponent has not provided any evidence that the same distributors or

dealers offer both the Opponent's and the Applicant's goods at the same time or in the same facility [citing as support *Tradition Fine Foods Ltd v Oshawa Group Ltd*, 2005 FCA 342 at para 11].

[60] In addition, the Applicant submits that none of the goods at issue is typically purchased hastily, but rather purchased after careful consideration of the buyer's exact needs and of the specifications offered, mitigating against a finding of confusion.

[61] The Opponent submits however, and I agree, that regardless of who the typical consumer of these goods would be (*i.e.* whether it be a wholesaler or otherwise), it nevertheless remains that it is the first impression of those consumers. Further to this, while one aspect of the Opponent's trade is with respect to wholesale channels, there ultimately is an end consumer; that is, the chain of transactions also goes down to the retail and end consumer level with the purchase and installation of the battery to the consumer's vehicle.

[62] While it is true that the Opponent has not produced evidence that the parties' goods and services are sold through the same retail outlets, the channels of trade (ie – automotive product distributors) are similar and overlapping.

[63] Consequently, I find these factors favour the Opponent.

Section 6(5)(e) - degree of resemblance in appearance, when sounded, or in idea suggested

[64] When considering the degree of resemblance, the law is clear that the trade-marks must be considered in their totality; it is not correct to lay them side by side and compare and observe similarities or differences among the elements or components of the trademarks. Furthermore, while the first portion of the mark is usually the most important for the purpose of distinguishing [see *Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d), 183 (FCTD) at 188], the Supreme Court of Canada in *Masterpiece* has advised that the preferable approach when comparing marks is to begin by determining whether there is an aspect of the trademark that is particularly striking or unique. For the reasons that follow, I find that there is a significant degree of resemblance between the parties' marks in appearance and in the ideas suggested.

[65] The Opponent submits that when assessing confusion between trademarks, the first word or first syllable in a trademark is more important for the purpose of distinction than those that follow. In following *Masterpiece* however, I find the first portion of the parties' marks to be the most striking and/or unique, and therefore, for this reason, the most important for the purposes of distinction.

[66] The Opponent submits that the first portion of the Applicant's Mark, namely, the portion MAGNA, is identical to the first portion of the Opponent's Mark in appearance, sound and ideas suggested. The Opponent submits that the Applicant's Mark also follows the same format as the Opponent's Mark, namely, beginning with MAGNA followed by a single word; thus, the Applicant's Mark is at least very similar to the Opponent's Mark.

[67] The Applicant submits that the marks at issue bear little in resemblance in sound, appearance or ideas suggested when considered in their entirety. The Applicant submits that the only common element between the marks is the superlative prefix/word MAGNA; the inclusion of the word POWER in the Applicant's Mark distinguishes it from the Opponent's Mark. The Applicant submits that "-CHARGE" and "POWER" clearly differ in sound and appearance and ideas suggested.

[68] However, as previously discussed in the section 6(5)(a) analysis, I have determined that the word MAGNA is distinctive in that it is not clearly descriptive, and while perhaps suggestive, it is not an ordinary or common term used on its own as a superlative in the English or French language. Furthermore, I agree with the Opponent that the terms CHARGE and POWER are both ordinary descriptive words when used in association with the parties' goods, with both terms relating to electricity. It follows that the parties' marks are very similar as a whole; the most striking element being identical, with a similar format wherein the term MAGNA is followed by another term relating to electricity.

[69] The Applicant further submits that it is relevant that the parties' marks, as used, are visually distinct [citing as support *JINX Inc v JINXD Yoga Essentials Inc*, 2016 TMOB 107, 142 CPR (4th) 475 at para 14]. However, in viewing the parties' marks as used, I disagree with the Applicant that the manner of use is enough to tip this factor in the Applicant's favour. Indeed,

both parties' marks are presented in ordinary font, with nothing particularly noteworthy that would serve to further distinguish the parties' marks from one another.

[70] Consequently, I find that this factor favours the Opponent.

Conclusion

[71] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection.

[72] In *Masterpiece, supra*, the Supreme Court of Canada highlighted the importance of the section 6(5)(e) factor in the analysis of the likelihood of confusion. In the present case, I have found the parties' marks share a high degree of similarity in appearance, and in ideas suggested. Furthermore, the most striking element of both parties' marks is identical.

[73] Additionally, I have concluded that the nature of the parties' goods is similar or overlapping, as are the channels of trade, and that the Opponent's Mark has acquired more distinctiveness, having more widespread use over a longer period of time.

[74] Having regard to the above, I find that the balance of probabilities with respect to confusion between the parties' marks is strongly balanced in favour of the Opponent. Therefore, the Applicant has failed to establish, on a balance of probabilities, that the Mark is not confusing with the Opponent's MAGNACHARGE mark.

[75] Having regard to the foregoing, I allow the grounds of opposition based on sections 16(1)(a) and 16(2)(a) of the Act.

Sections 16(1)(b) and 16(2)(b) Grounds of Opposition

[76] The Opponent has plead that the Applicant is not entitled to registration of the Mark because at the date the Applicant first used or made known the Mark, namely, February 21, 2006, the Mark was confusing with the Opponent's Mark, for which an application for registration had been previously filed by the Opponent and was not abandoned.

[77] With respect to the grounds of opposition based upon section 16(1)(b) and 16(2)(b) of the Act, in order to meet its initial burden, the Opponent must establish that the application for the Opponent's Mark was filed (or deemed filed in Canada) prior to the filing date of the Applicant's application (October 13, 2015), and was pending at the date of advertisement of the Applicant's application (November 23, 2016) [section 16(4) of the Act]. I have exercised my discretion to inspect the trade-mark register to confirm the existence of the Opponent's Mark [with respect to this discretion, see *Royal Appliance Mfg Co v Iona Appliances Inc* (1990), 32 CPR (3d) 525 (TMOB) at 529]. In doing so, I note that the Opponent's initial burden is not met regarding its section 16(1)(b) and 16(2)(b) grounds because the Opponent's Mark issued to registration on February 10, 2005 and therefore was not pending as of the date of advertisement of the Mark. Accordingly, the section 16(1)(b) and 16(2)(b) grounds are dismissed.

Section 12(1)(d) Ground of Opposition

[78] The Opponent has plead that the Mark is confusing with the Opponent's Mark (registration No. TMA 632,595), and registration of the Application should therefore be refused pursuant to the provisions of section 12(1)(d) of the Act.

[79] An opponent's initial onus is met with respect to a section 12(1)(d) ground of opposition if the registration relied upon is in good standing. The Registrar has the discretion to check the register in order to confirm the existence of any registrations relied upon by an opponent [see *Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. I have exercised the Registrar's discretion to confirm that the Opponent's registration is in good standing as of today's date, which, as previously indicated, is the material date for assessing a section 12(1)(d) ground of opposition [per *Park Avenue Furniture Corp, supra*]. The Opponent has therefore satisfied its evidential burden.

[80] I now have to determine, on a balance of probabilities, if the Mark is likely to cause confusion with the Opponent's registered trade-mark MAGNACHARGE.

[81] The difference in material date under this ground of opposition does not affect my ultimate conclusion regarding confusion between the parties' marks. As such, my findings under the grounds of opposition based on section 16(1)(a) and 16(2)(a) are equally applicable.

[82] Accordingly, the ground of opposition under section 12(1)(d) is also successful.

Section 2 Ground of Opposition

[83] The Opponent has plead that the Mark is not distinctive, within the meaning of section 2, as the Mark does not actually distinguish, is not adapted to distinguish, and is not capable of distinguishing the Applicant's goods from the goods and services of others, including the Opponent's goods and services provided in association with the Opponent's Mark.

[84] While there is a legal onus on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes its goods from those of others throughout Canada [see *Muffin Houses Incorporated v The Muffin House Bakery Ltd*, (1985) 4 CPR (3d) 272 (TMOB)], there is an initial evidential burden on the Opponent to establish the facts relied upon in support of its non-distinctiveness ground.

[85] In order to meet its initial burden with respect to this ground, the Opponent must establish that as of the filing date of the statement of opposition, namely, January 12, 2017, the Opponent's MAGNACHARGE mark had become known sufficiently to negate the distinctiveness of the Mark, and that the reputation of the MAGNACHARGE mark in Canada was substantial, significant, or sufficient [see *Bojangles' International LLC v Bojangles Café Ltd*, 2006 FC 657, 48 CPR (4th) 427].

[86] As set out in further detail above in the analysis of the sections 16(1)(a) and 16(2)(a) grounds of opposition, the Opponent has provided evidence supporting a finding that its MAGNACHARGE trademark had become known to a sufficient extent in Canada, due to significant sales and extensive use, as of the material date; thus, the Opponent has met its evidential burden. I would add further that due to the difference in material date under this ground of opposition, the Opponent's evidence regarding website traffic statistics, which demonstrate significant Canadian traffic to its website, is relevant under this ground.

[87] I must now assess whether the Applicant has satisfied its legal burden.

[88] Once again, the difference in material date is not significant and as a result, my findings under the grounds of opposition based on sections 16(1)(a) and 16(2)(a) of the Act are equally

applicable here. As a result, I find that the Applicant has not discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the marks at issue.

[89] Accordingly, the non-distinctiveness ground is also successful.

DISPOSITION

[90] Having regard to the aforementioned, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(12) of the Act.

Kathryn Barnett
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE 2020-06-30

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