



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 061

Date of Decision: 2023-03-31

IN THE MATTER OF OPPOSITION

Opponent: THI Canada Inc.

Applicant: King Rack Industrial Co., Ltd

Application: 1,830,449 for BUZZRACK Design

INTRODUCTION

[1] King Rack Industrial Co. Ltd (the Applicant) has applied to register the trademark BUZZRACK Design (the Mark) set out below, in association with the following Goods.

BUZZRACK

(1) Bicycle carriers for automobiles, and parts and fittings for all the aforementioned goods;

(2) Ski carriers for automobiles, sailboard carriers for automobiles, kayak carriers for automobiles, surfboard carriers for automobiles, boat carriers for automobiles, luggage carriers for automobiles, spare tire carriers for automobiles, and parts and fittings for all the aforementioned goods

Goods (1) are based on the Applicant's use in Canada since June 2013 and Goods (2) are based on the Applicant's proposed use in Canada.

[2] THI Canada Inc. (the Opponent) manufactures and distributes headache racks and accessories for pick up trucks. The Opponent's BACKRACK brand headache racks are used to protect cabs, attach accessories such as lights and antennae and secure ladders, tools and other loads into the box of the truck. The Opponent has opposed this application primarily on the basis that the Mark is confusing with its use and registration of its trademarks BACKRACK and BACKRACK & Design.

[3] For the reasons that follow, I reject the opposition.

BACKGROUND

[4] The application was filed on March 31, 2017 and advertised for opposition in the *Trademarks Journal* issue dated May 30, 2018. The Opponent opposed the application pursuant to section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) on July 13, 2018. Pursuant to section 70 of the Act, the grounds of opposition in this proceeding will be assessed based on the Act as it read prior to June 17, 2019.

[5] The grounds of opposition are summarized below:

- (a) The Opponent relies upon section 38(2)(a) as the application does not conform to the requirements of section 30(i) in that the Applicant could not have been satisfied that it was entitled to use the Mark in Canada since such use was unlawful as:
 - i. The Applicant was aware of the Opponent's prior use and registration of the Opponent's trademarks BACKRACK and BACKRACK & Design, due to:
 - 1. previous opposition proceedings between the same parties or their predecessors in title, respecting the Mark commenced by the Opponent in 2008 and 2015; and
 - 2. the extensive prior use and advertising of those trademarks in Canada by the Opponent.
 - ii. such use was and is likely to have the effect of depreciating the value of the goodwill attaching to the Opponent's trademarks contrary to sections 22(1) and 7(b) of the Act.

- (b) The application does not comply with the requirements of sections 30(b) and 30(e) of the Act, as:
 - i. The Applicant had not used the Mark as a trademark in Canada, within the meaning of section 4(1), for the bicycle carriers as of the claimed date of first use and has not identified all predecessors in title.
 - ii. The Applicant does not have a genuine intent to use the Mark as a trademark in Canada within meaning of section 4(1) for Goods (2).
- (c) The Mark is not registrable pursuant to section 12(1)(d) of the Act as it is confusing with the Opponent's trademark registration Nos. TMA857,615 and TMA857,619 for BACKRACK & Design and BACKRACK.
- (d) The Applicant is not entitled to register the Mark under sections 16(1)(a) and 16(3)(a) of the Act because the Mark was confusing with the Opponent's previously used and made known trademarks.
- (e) The Mark is not distinctive and is not adapted to distinguish the Goods from the goods of the Opponent.

[6] The Opponent filed as its evidence the affidavit of Adrian Jayne, its President and co-founder. The Applicant filed as its evidence the affidavit of Shih-Ming Wang, a member of its Board. Mr. Wang was cross-examined on his evidence. As its evidence in reply, the Opponent filed the affidavit of Jennifer Richardson, a law clerk who is employed by counsel for the Opponent. Both parties filed written representations and attended a hearing.

EVIDENTIAL BURDEN AND LEGAL ONUS

[7] 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.

[8] 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*, 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.

GROUNDS OF OPPOSITION

[9] I consider each of the grounds of opposition below (although not in the order that they appear in the statement of opposition).

Sections 30(b) and 30(e) of the Act

[10] The Opponent alleges that the application does not conform to the requirements of sections 30(b) and 30(e) of the Act in that:

- (a) the Applicant had not used the Mark as a trademark in Canada and has not identified all predecessors in title; and
- (b) the Applicant does not have a genuine intent to use the Mark.

[11] The evidential burden on an opponent respecting the issue of an applicant's non-compliance with these sections of the Act is a light one and can be met by reference not only to its evidence, but also to an applicant's evidence [*Labatt Brewing Co Ltd v Molson Breweries, A Partnership* (1996), 68 CPR (3d) 216 (FCTD) at 230; *Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd*, 2014 FC 323 at paras 33-38]. To meet its burden, an opponent must show that the evidence raises doubt as to the veracity of the claims in the application [*Corporativo de Marcas, supra; Reitmans (Canada) Limited v Atlantic Engraving Ltd*, 2005 CanLII 78234 (TMOB)]. If an opponent meets its evidential burden, an applicant must prove with respect to the section 30(b) ground of opposition that that it has used the Mark as of the date claimed and with respect to the section 30(e) ground of opposition that it proposed to use the applied-for trademark in Canada as of the application's filing date.

[12] With respect to these grounds of opposition, the Opponent points to the following evidence:

- (a) There are only two documents in Exhibit A of Mr. Wang's affidavit dated prior to the claimed date of first use of the Mark for bicycle carriers namely a. a *pro forma* invoice dated April 15, 2013 issued by the Applicant, King Rack Industrial Co., Ltd. and b. an invoice and bills of lading dated June 16, 2011 issued by a different company, namely Buzz Rack Technology Co., Ltd.
- (b) On cross-examination, Mr. Wang admitted that a "pro forma" invoice is an estimate or a quote (Qs 64-65). The Opponent submits that it is not evidence of any sales with respect to goods.
- (c) When asked in cross-examination whether Buzz Rack Technology Co. ever owned the Mark, Mr. Wang states that the Mark is "always under" Buzz Rack Technology Co. (Qs 79-80).
- (d) Attached as Exhibit D to Ms. Richardson's affidavit is a copy of an assignment transferring title to the corresponding US registration for the Mark from Buzz Rack Technology Co. to the Applicant effective May 8, 2018 which is more than one year after the subject application was filed.
- (e) The earlier applications for BUZZRACK were filed by different entities (Jayne affidavit, Exhibits N and O).
- (f) The Applicant has not used the Mark for the Bicycling Goods in the design format for which it seeks registration as shown by the uses below in Mr. Jayne's evidence taken from a website which identifies Buzz Rack Technology Co. as the owner of the copyright (Opponent's written submissions, para 33):



Opponent Fails to Meet its Evidential Burden with Respect to Section 30(b)

[13] I do not find that the Opponent and Applicant's evidence taken together raises a doubt as to the veracity of the claimed date of first use.

[14] The pro forma invoice is very detailed including the number of carriers, unit price, and date of delivery and payment and tends to confirm the Applicant's claimed date of first use even if it is a quote as opposed to an invoice as identified. Further, the assignment is specific to the United States trademark and does not result in the inference that the Canadian application was owned by Buzz Rack Technology Co. as of the date of first use claimed. Mr. Wang indicated in his Answers to Undertakings that the Applicant and Buzz Rack Technology Co. are under common ownership under the same family business. Mr. Wang also indicated that the Applicant is responsible for supplying the Goods and Buzz Rack Technology Co. is involved in the exportation of the Goods. Given this explanation, I do not find, therefore, that Mr. Wang's answers on cross-examination that BUZZRACK was "always under" Buzz Rack Technology Co. to raise doubt as to whether there was a predecessor-in-title between the date of first use claimed and the date of filing the application.

[15] Further, I do not consider the display of BUZZRACK highlighted by the Opponent to be a material deviation from the Mark [see *Canada (Registrar of Trade Marks) v Cie*

internationale pour l'informatique CII Honeywell Bull SA, 1985 CanLII 5537 (FCA), [1985] 1 FC 406, 4 CPR (3d) 523; *Convenience Food Industries (Private) Ltd v Clic International Inc*, 2011 FC 1338, 97 CPR (4th) 420]. The shape of the letters on the rack is the same and the trademark applied-for is in black and white which would entitle the Applicant to use the Mark in any colours. I refer to Brett L.J. in *British Drug Houses Ltd v Battle Pharmaceuticals*, 1944 CanLII 308 (CA EXC), at 247:

there is nothing in the statute to prevent the trade-mark which is registered from being used in any colour. Therefore, it seems to me that the proper construction is that where a trade-mark is registered, it is not merely the outline or design as printed in the advertisement in black, or black and white, which is to be protected, but that which is to be protected is the trade-mark as it may be used or will be used in the ordinary course of trade, that is, in any colour.

[16] Accordingly, the Opponent fails to meet its evidential burden with respect to the ground of opposition based on section 30(b) of the Act and this ground of opposition is rejected.

Opponent Fails to Meet its Evidential Burden with respect to Section 30(e)

[17] There is no evidence to suggest that the Applicant does not intend to use the Mark in Canada, as such the Opponent fails to meet its evidential burden and the section 30(e) ground of opposition is rejected. Rather, the evidence filed by the Applicant tends to support that it did intend to use the Mark. In particular, Mr. Wang's evidence is that the Applicant manufactures ski carriers, kayak carriers, roof baskets, pet barriers, etc., for automobiles although these are not presently sold in Canada (paras 4-5) as the Applicant's distributor imports cycling products (Q47-53).

Grounds of Opposition Based on Confusion

[18] The determinative issue for decision raised by the section 16, 12(1)(d) and 2 grounds of opposition is whether the Mark is confusing with the Opponent's trademarks BACKRACK and BACKRACK & Design. The material dates to assess the issue of confusion are: (i) the date of first use for Goods (1) (June 13, 2013) and the date of filing the application for Goods (2) (March 31, 2017) with respect to the entitlement ground; (ii) the date of my decision with respect to the ground of opposition alleging that

the Mark is not registrable; and (iii) the date of opposition (July 13, 2018) with respect to the ground of opposition alleging that the Mark is not distinctive of the Goods [for a review of material dates in opposition proceedings see *American Assn of Retired Persons v Canadian Assn of Retired Persons* (1998), 84 CPR (3d) 198 (FCTD) at 206 - 208].

Opponent Meets its Evidential Burden for all Confusion Grounds

[19] The Opponent meets its evidential burden for all of the confusion grounds for the following reasons:

- (a) Section 12(1)(d) Ground of Opposition – I have exercised my discretion [*Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)] and confirm that the following registrations are extant:

TMA857,615



(1) Pick-up truck racks, namely, headache racks designed to protect the cab and mount a variety of accessories, namely, light, antenna and toolbox brackets.

Services

TMA857,619 BACKRACK

(1) Distribution services in the field of automotive parts.

- (b) Section 16 Entitlement Grounds of Opposition – the Opponent’s evidence of sales of its truck racks marked with its trademarks (Jayne affidavit, paras 13-14; Exhibit B) prior to June 2013 are sufficient to meet its evidential burden that it had used its trademarks as of the applicable material dates.

- (c) Section 2 Ground of Opposition – the Opponent’s evidence of sales of over 450,000 racks (Jayne affidavit, para 13) by its 1000 retailers along with the evidence of advertising (paras 16, 19-20; Exhibit F) is sufficient to meet its evidential burden in support of the non-distinctiveness ground of opposition. The Opponent has shown that as

of July 13, 2018 its trademarks BACKRACK and BACKRACK & Design were known to some extent in Canada and the reputation of these trademarks was substantial, significant or sufficient [*Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 (FCTD); *Bojangles' International LLC v Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (FC)].

[20] I now have to determine, on a balance of probabilities, if the Mark is likely to cause confusion with either of the Opponent's trademarks at any of the material dates. As the material dates, do not appear to have a significant impact on my findings under section 6(5) in this case, I propose to deal with all three of the confusion grounds of opposition together. I will focus my analysis on the Opponent's BACKRACK trademark as I consider it to represent the Opponent's strongest case. That is, if the Opponent is not successful based on this trademark, then it will not be successful based on its other trademark.

Test for confusion

[21] The test to determine the issue of confusion is set out in section 6(2) of the Act which stipulates that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would likely 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 or appear in the same class of the Nice Classification.

[22] Therefore, section 6(2) of the Act does not concern confusion of the trademarks themselves, but of the goods or services from one source as being from another. Essentially, the question here is whether a consumer, with an imperfect recollection of the Opponent's trademark BACK RACK, would think that the Applicant's BUZZRACK Goods emanate from, are sponsored by or approved by the Opponent.

[23] In applying the test for confusion, I must take into consideration all the relevant surrounding circumstances, including those listed 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 they have 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 including in appearance or sound or in the ideas suggested by them. These criteria are not exhaustive and different weight will be given to each one in a context-specific assessment [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée, supra*]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 where the Supreme Court of Canada states at para 49 that section 6(5)(e), the resemblance between the trademarks, will often have the greatest effect on the confusion analysis.

Inherent Distinctiveness

[24] A trademark is inherently distinctive when nothing about it refers the consumer to a multitude of sources [*Compulife Software Inc v CompuOffice Software Inc*, 2001 FCT 559 at para 19]. As noted by Justice Bédard in *Philip Morris Products SA v Imperial Tobacco Canada Limited*, 2014 FC 1237, citing *Apotex Inc v Canada (Registrar of Trademarks)*, 2010 FCA 31, whether a trademark is distinctive is a question of fact that is determined by reference to the message that it conveys to the casual consumer of the goods or services in question when the trademark is considered in its entirety as a matter of first impression.

[25] The shared component in the parties' trademarks, RACK, does not add any distinctiveness to either trademark as the parties' products are racks and the evidence is that this word is used descriptively by both parties and third parties. For example, in the Opponent's evidence the word rack appears multiple times including safety rack, louvered rack, open rack, and three round rack (Jayne affidavit, Exhibits B and G). Furthermore, printouts from the retailers' websites in the Opponent's website include racks, bike racks, roof racks, and ski racks (Jayne affidavit, Exhibits I-K).

[26] In my view, the Mark has a reasonable degree of inherent distinctiveness as the component BUZZ in the coined word BUZZRACK does not describe any inherent characteristic or quality of the Goods. The Opponent's trademark also has a degree of

inherent distinctiveness arising from the rhyming elements in its trademarks which consist of the coined word BACKRACK.

Extent Known and Length of Time in Use

[27] The Opponent has evidenced use of its trademark BACKRACK in association with pickup truck headache racks since at least as early as 1988. Mr. Jayne estimates that, since 1989, the Opponent has sold at least 450,000 headache racks in Canada, all prominently bearing the words BACKRACK in bold capital letters in a solid white font (para 13). Importantly, the BACKRACK trademark on the rack continues to be displayed after sale increasing the reputation of the Opponent's trademark. In contrast, the Applicant has provided very limited evidence of use of its Mark with the Applicant's sales beginning in 2013 and peak sales in Canada being approximately 800 units in 2019 (Wang cross-examination, Qs 54-62). The extent known and length of time in use therefore significantly favour the Opponent.

Nature of the Goods, Services and Trade

[28] Since both parties' trademarks cover vehicle racks, there is direct overlap between the parties' goods, businesses and trades. Accordingly, this factor also favours the Opponent.

Degree of Resemblance

[29] The degree of resemblance between the trademarks will often have the greatest effect on the confusion analysis. When considering the degree of resemblance, the law is clear that the trademarks must be considered in their totality. The appropriate test is not a side by side comparison but an imperfect recollection in the mind of a consumer of an opponent's trademark [*Veuve Clicquot, supra* at para 20]. The preferable approach when comparing trademarks is to begin by determining whether there is an aspect of a trademark that is particularly striking or unique [see *Masterpiece* at para 64].

[30] Here, I find the most striking part of the Mark is the component BUZZ. I find the remaining word component RACK to be suggestive or descriptive of the associated

goods. With respect to the Opponent's trademarks, I find the most striking component to be the rhyming aspect of the trademark BACKRACK.

[31] I do not find that the trademarks resemble each other to a significant degree in appearance, sound or idea suggested when considered as a whole as the most striking components of the trademarks are dissimilar. In particular, the trademarks suggest different ideas – a rack at the back versus the concept of buzzing or buzz. The trademarks also look and sound different as the Mark does not have the rhyming aspect. Further, the Opponent's focus on the individual parts of the Mark that are the same as its mark – the first letter B along with the second component RACK - appears to involve a side-by-side comparison of the type warned against by the courts [*Veuve Clicquot, supra* at para 20; *International Stars SA v Simon Chang Design Inc*, 2013 FC 1041 at para 9]. Finally, I find the degree of resemblance would be low even if the Mark is presented in all white on a black rack as the Opponent's BACKRACK & Design trademark is presented [see *Arterra Wines Canada, Inc v Diageo North America, Inc*, 2020 FC 508 at para 62 which indicates that possible future presentations of a trademark available to a registered trademark owner and an applied for trademark owner must be considered citing *Masterpiece*, at paras 55-56, 85; *Cheah v McDonald's Corporation*, 2013 FC 774 at paras 3-4; *Pizzaio*, above at para 24].

Conclusion

[32] The question posed by section 6(2) of the Act is whether customers of the Goods with the Mark would believe that these goods are provided, authorized or licensed by the Opponent owing to its trademarks BACKRACK and BACKRACK & Design. I have assessed this as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the Mark, at a time when he or she has no more than an imperfect recollection of either of the BACKRACK trademarks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks.

[33] Having considered all of the surrounding circumstances, I find that the Applicant has met the legal onus on it to show, on a balance of probabilities, that there is no

reasonable likelihood of confusion between the Mark and either of the Opponent's trademarks BACKRACK and BACKRACK & Design at each of the material dates. Notwithstanding the fact that the Opponent's trademarks have a significant degree of acquired distinctiveness, and the nature of the parties' goods and services and channels of trade overlap, I find the fact that the parties' trademarks are more different than alike and this tips the balance of probabilities in the Applicant's favour. Accordingly, the sections 16, 12(1)(d) and 2 grounds of opposition are rejected.

Section 30(i) Ground of Opposition

[34] The material date for this ground of opposition is the filing date of the application.

[35] The Opponent pleads that the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the Goods because: it should have been aware of the Opponent's trademarks, and to do so would have the effect of depreciating the value of goodwill attached to the Opponent's trademarks contrary to section 22 of the Act and violate section 7 of the Act.

[36] I will begin by noting that mere knowledge of the existence of the Opponent's trademarks 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 Woot Restaurants Inc Les Restaurants Woot Inc*, 2012 TMOB 197]. Further, I have found the trademarks not to be confusing. Therefore, the Applicant's knowledge of the Opponent's trademark registrations did not preclude the Applicant from stating that it is entitled to use the Mark.

[37] Further, the Opponent has failed to adduce evidence of at least one of the elements required to show a violation of section 7(b) of the Act: deception of the public due to a misrepresentation [see the three elements set forth in *Ciba-Geigy Canada Ltd v Apotex Inc*, [1992] 3 SCR 120 at para 33 cited by *Pharmacommunications Holdings Inc v Avencia International Inc*, 2008 FC 828 at para 41].

[38] Finally, the Opponent has failed to adduce any evidence of a depreciation of goodwill or connection or linkage between the Mark and one of the Opponent's

registrations as required to show a violation of section 22 of the Act [*Veuve Clicquot, supra* at paras 46 and 63 to 68].

[39] Accordingly, as the Opponent has not met its evidential burden under this ground of opposition, it is rejected.

DISPOSITION

[40] In view of the above, and pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(12) of the Act.

Natalie de Paulsen
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2022-12-14

APPEARANCES

For the Opponent: Michele Ballagh

For the Applicant: Michael O'Neill

AGENTS OF RECORD

For the Opponent: Blaze IP

For the Applicant: Marks & Clerk