



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

Citation: 2011 TMOB 128
Date of Decision: 2011-07-29

**IN THE MATTER OF AN OPPOSITION
by Brain Wave Holdings Inc. to
application No. 1,298,829 for the trade-
mark CAR TRADER in the name of
Trader Corporation**

[1] On April 24, 2006, Trader Publications Corp. filed an application to register the trade-mark CAR TRADER (the Mark) based on proposed use of the Mark in Canada in association with:

- periodical publications advertising for sale or purchase cars, trucks, motorcycles, boats, airplanes, automobiles, recreational vehicles, construction equipment, snowmobiles;
- services of providing an on-line database advertising for sale and purchase of cars, trucks, motorcycles, boats, airplanes, automobiles, recreational vehicles, construction equipment, snowmobiles.

The right to the exclusive use of the word CAR has been disclaimed apart from the Mark.

[2] On March 1, 2007, the application was amended to record Trader Corporation as the owner due to an amalgamation. The term Applicant will be used to refer to Trader Corporation and/or Trader Publications Corp.

[3] The application was advertised for opposition purposes in the *Trade-marks Journal* of April 11, 2007.

[4] On June 6, 2007, Brain Wave Holdings Inc. (the Opponent) filed a statement of opposition. The Applicant filed and served a counter statement in which it denied the Opponent's allegations.

[5] In support of its opposition, the Opponent filed a statutory declaration of Shaun Pilfold. The Applicant cross-examined Mr. Pilfold on his declaration and filed a transcript of the cross-examination.

[6] In support of its application, the Applicant initially filed affidavits of Jennifer Nalepa and Gloria Roknic, plus certified copies of eight trade-mark registrations. It subsequently obtained leave to file additional evidence, namely certified copies of nine additional trade-mark registrations.

[7] As reply evidence, the Opponent filed an affidavit of Shaun Pilfold.

[8] Only the Applicant filed a written argument. An oral hearing was not held.

Summary of Grounds of Opposition and Applicable Material Dates

[9] The grounds of opposition pleaded by the Opponent pursuant to the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act) are summarized below:

1. contrary to s. 38(2)(a) and 30(a), the application does not contain a statement in ordinary commercial terms of the specific wares or services in association with which the Mark is proposed to be used.
2. contrary to s. 38(2)(a) and 30(e), at the date of filing of the application, Trader Corporation never intended, itself, or through a licensee, or by itself and through a licensee, to use the Mark in Canada in association with all of the wares and/or services covered by the application. "According to [Trader Corporation's] website, [Trader Corporation] was formed in June 2006 by integrating Classified Media (Canada) Holdings Inc. and Trader Media Corporation, both of which were acquired by Yellow Pages Income Fund. The previous owner of the Application is Trader Publications Corp. ("TPC"), which appears to be a third entity. [Trader Corporation] must establish an appropriate chain of title for [Trader Corporation] and/or a licensee to have an intention to use the Mark."

3. contrary to s. 38(2)(a) and 30(i), the Applicant could not properly have been satisfied that it was entitled to use the Mark in view of the Opponent's prior use of the confusingly similar trade-mark, trade-name and domain name CARTRADER.ca.
4. contrary to s. 38(2)(b) and 12(1)(b), the Mark is not registrable. "The Mark is composed of the two words CAR and TRADER. A 'car trader' is a business or entity whose business is buying and/or selling cars. Because [Trader Corporation] is using the Mark to provide for the sale and/or purchase of cars and vehicles, the Mark is clearly descriptive or deceptively misdescriptive of the character or quality of the wares and services associated with the Mark."
5. contrary to s. 38(2)(c) and 16(3)(a), at the date of filing of the application, the Mark was confusing with the Opponent's trade-mark CARTRADER.ca which the Opponent had previously used and/or made known in Canada in association with "providing on-line advertising for sale and purchase of new and used cars, trucks, sports utility vehicles, and other motorized vehicles and automobile warranty and insurance" (the Opponent's Services).
6. contrary to s. 38(2)(c) and 16(3)(c), at the date of filing of the application, the Mark was confusing with the Opponent's trade-name CARTRADER.ca which had previously been used in Canada as the business name in association with the Opponent's Services.
7. contrary to s. 38(2)(d) and 2, the Mark is not distinctive of the Applicant because the Mark is not capable of distinguishing the Applicant's wares or services from the wares and services of others, particularly those of the Opponent, nor is it adapted to so distinguish them.

[10] The material dates with respect to the grounds of opposition are as follows:

- s. 38(2)(a)/30 - the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.) at 475];
- s. 38(2)(b)/12(1)(b) - the filing date of the application [see *Shell Canada Limited v. P.T. Sari Incofood Corporation* (2005), 41 C.P.R. (4th) 250 (F.C.); *Fiesta Barbeques Limited v. General Housewares Corporation* (2003), 28 C.P.R. (4th) 60 (F.C.)];
- s. 38(2)(c)/16(3) – the filing date of the application;
- s. 38(2)(d)/2 - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)].

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[11] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v. The Molson Companies Limited* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298].

Section 30(a) Ground of Opposition

[12] No evidence or argument was filed to meet the Opponent's initial burden with respect to its claim that the Applicant's wares or services are not specified in ordinary, commercial terms. Accordingly, this ground of opposition is rejected.

Section 30(e) Ground of Opposition

[13] Since the application contains a statement that the Applicant by itself and/or through a licensee intends to use the Mark in Canada, it formally complies with s. 30(e). The Opponent however has submitted that the Applicant must establish a proper chain of title from the application's original owner to its current owner. Ms. Roknic has done this. At paragraph 10 of her affidavit, she explains that Trader Media Corp. and Trader Publications Corp. amalgamated with Trader Corporation on January 1, 2007 and continued as Trader Corporation; she provides a copy of the pertinent articles of amalgamation as Exhibit "1". I am therefore dismissing the s. 30(e) ground.

Section 30(i) Ground of Opposition

[14] Where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]. The Applicant has provided the necessary statement and this is not an exceptional case; the s. 30(i) ground is accordingly dismissed.

Section 12(1)(b) Ground of Opposition

[15] The issue as to whether the Mark is clearly descriptive or deceptively misdescriptive must be considered from the point of view of the average purchaser of the associated wares or services. “Clearly” means “easy to understand, self-evident or plain” [see *Drackett Co. of Canada Ltd. v. American Home Products Corp.* (1968), 55 C.P.R. 29 at 34 (Ex. Ct.)]. Furthermore, the Mark must not be dissected into its component elements and carefully analyzed but must be considered in its entirety as a matter of immediate impression [see *Wool Bureau of Canada Ltd. v. Registrar of Trade Marks*, 40 C.P.R. (2d) 25 at 27-8 (F.C.T.D.); *Atlantic Promotions Inc. v. Registrar of Trade Marks*, 2 C.P.R. (3d) 183 at 186 (F.C.T.D.)].

[16] In his statutory declaration, Mr. Pilfold first notes that the Applicant disclaimed the right to the exclusive use of the word “car” apart from the Mark and then provides various dictionary definitions for the word “trader”. For example, “trader” is defined in the *Merriam-Webster Online Dictionary* as “a person whose business is buying and selling”. In addition, Mr. Pilfold provides examples of various third party websites where “car trader” is used in a descriptive manner (Exhibits “13” through “18”).

[17] I find that the Opponent has met the initial onus on it under s. 12(1)(b). Although the third party websites are dated later than April 24, 2006, this does not detract from the Opponent’s case as the ordinary meaning that would be ascribed to the term “car trader” is sufficient to support its allegation that the Mark is clearly descriptive or deceptively misdescriptive of the character or quality of the Applicant’s wares and services. The ordinary meaning of the words in the Mark indicate that the Applicant’s wares and services are intended for people who wish to buy or sell a car. An opponent’s initial burden with respect to a s. 12(1)(b) ground may be met simply by reference to the ordinary dictionary meaning of the words in an applicant’s mark [see *Flowers Canada/Fleurs Canada Inc. v. Maple Ridge Florist Ltd.* (1998), 86 C.P.R. (3d) 110 (T.M.O.B.)].

[18] I will therefore now consider what the Applicant has done to meet its legal burden with respect to this ground of opposition. In this regard I note that the Applicant makes the following submissions in its written argument.

[19] First, the Applicant points out that it is the owner of “numerous” registrations for TRADER-formative marks in Canada and submits that it “would be entirely inconsistent with the Registrar’s past practice for the Opposition Board to hold that the trade-mark CAR TRADER is unregistrable by Trader Corporation, owner of exclusive rights in the trade-marks TRADER and AUTO TRADER for the same wares and services.” However, a decision by the examination section of the Trade-marks Office is not binding on this Board. “This Board is not in a position to explain findings by the examination section of the Trade-marks Office. Further, the examination section does not have before it evidence that is filed by parties in an opposition proceeding...” [see *Interdoc Corporation v. Xerox Corporation*, unreported decision of the Trade-marks Opposition Board dated November 25, 1998 re application No. 786,491]. In addition, the onus on an applicant during examination differs from that on an applicant during opposition.

[20] Second, the Applicant submits “that the Opponent’s submission that CAR TRADER is unregistrable is inconsistent with, and contrary to the Opponent’s allegations that it has trade-mark rights in the domain name CARTRADER.CA...” However, the validity of the Opponent’s alleged rights is not relevant to this s. 12(1)(b) ground.

[21] Third, the Applicant submits that it was inappropriate for the Opponent to provide a dictionary definition of ‘trader’ because the Mark ought not to be dissected into its component elements. I agree with the Applicant’s submission that a mark must be considered in its entirety as a matter of first impression, but that does not mean that the meaning of the individual words that make up the Mark is irrelevant. The fact that a particular combination of words does not appear in any dictionary does not prevent a trade-mark from being found to be clearly descriptive. If each portion of a mark has a well-known meaning, it may be that the resultant combination would be contrary to s. 12(1)(b). I consider this to be the case for the words “car trader”. It is not necessary that “car trader” be a defined term in a dictionary in order to offend s. 12(1)(b); if it is an apt term to describe the character of the applied-for wares and services, it should be left available for others to use since descriptive words are the property of all.

[22] Fourth, the Applicant submits that the dictionary definitions do not establish that the Mark is clearly descriptive or deceptively misdescriptive of the Applicant’s services “because the

Applicant's services do not consist of 'buying and selling' or 'trading in goods', as the definitions stipulate. Rather the Applicant provides an advertising medium for third parties wishing to sell or purchase particular motor vehicles and related transportation equipment such as boats and airplanes. The Applicant does not sell or purchase these items or act as an intermediary in transactions between buyers and sellers." However, the fact that the Applicant does not itself actually trade cars does not preclude the Mark from being unregistrable on the basis that the Mark clearly describes the target consumers of the Applicant's wares and services. In this regard, I note the following cases where the Federal Court found that a mark that refers to the target consumer is clearly descriptive: in *Ontario Teachers' Pension Plan Board v. AG Canada* (2011), 89 C.P.R. (4th) 301 (F.C.) the trade-mark TEACHER'S was held to be clearly descriptive of administration of a pension plan that serves "teachers"; and in *Consumers' Gas Co. v. Consumers Distributing Co./Cie distribution aux consommateurs*, (1985), 4 C.P.R. (3d) 1 (F.C.T.D.) the trade-mark CONSUMERS was held to be clearly descriptive of "promoting the sale and the selling of merchandise by the publication of catalogues illustrating and describing same; maintaining mail order, warehouse and shipment facilities for processing mail orders for, and delivery of merchandise..."

[23] Fifth, the Applicant submits "that its TRADER and AUTO TRADER trade-marks have acquired such a significant degree of secondary meaning in Canada in relation to the Applicant's Wares and Services, that when the similar word CAR [is] used with the word TRADER in the proposed mark CAR TRADER, Canadian consumers will automatically think of the Applicant's publications, websites and advertising services and will not regard the mark as clearly descriptive or deceptively misdescriptive." There is no need for me to consider whether the Applicant's evidence shows that its TRADER and AUTO TRADER marks have acquired secondary meaning since even if they have, that would not assist it with respect to the s. 12(1)(b) ground of opposition. While it is true that a s. 12(1)(b) objection may be surmounted by sufficient proof of use and promotion, such use and promotion must be of the subject mark, not of a related mark [see s. 12(2), which reads: "A trade-mark that is not registrable by reason of paragraph (1)(a) or (b) is registrable if it has been so used in Canada by the applicant or his predecessor in title to have become distinctive at the date of filing an application for its registration."]. The Applicant has not provided any evidence of use of the Mark, let alone sufficient use to rely upon s. 12(2). I further note that the fact that the Applicant owns registrations for TRADER and other marks that

include the word TRADER (including OLD CAR TRADER) does not give it the automatic right to the registration of the Mark, no matter how closely they may be related [see *American Cyanamid Co. v. Stanley Pharmaceuticals Ltd.* (1996), 74 C.P.R. (3d) 572 (T.M.O.B.) at 576].

[24] Other submissions included in the Applicant's written argument and my responses thereto are summarized below:

- The Applicant submits that the Mark is suggestive and argues that marks that are merely suggestive of the character or quality of the relevant wares and services or make a clever allusion to such qualities are registrable. In support, the Applicant relies upon *Ralston Purina Co. v. Effem Foods Ltd.* (1997), 81 C.P.R. (3d) 528 (T.M.O.B.), which concerned IT'S LIKE GETTING A MULTI-VITAMIN IN EVERY MEAL and similar marks for pet food. I agree with the general proposition put forth by the Applicant but I do not consider it to be applicable to the case at hand. Moreover, the marks in the case cited by the Applicant are not akin to the Mark since they merely suggest a benefit of the wares whereas the Mark clearly describes the target consumer.
- The Applicant submits that the third party websites introduced by Mr. Pilfold are not relevant for various reasons including that they are operated by organizations outside of Canada and are not targeted at Canadians. In response, I wish to point out that the issue is not whether the words "car trader" have been used in a clearly descriptive manner in Canada, but whether such words are clearly descriptive in the English language [see *Canadian Inovatech Inc. v. Burnbrae Farms Ltd.* (2003), 31 C.P.R. (4th) 151 (T.M.O.B.) and *Home Juice Co. v. Orange Maison Ltée* [1970] S.C.R. 942].
- I see no need to detail the Applicant's submissions concerning third party registrations for TRADER marks introduced by the Opponent as I agree with the Applicant's submission that such registrations are irrelevant to the issue at hand.

[25] Having carefully considered the Applicant's evidence and submissions, I find that it has not met the legal burden on it under s. 12(1)(b). Rather, as a matter of common sense, it seems to me that someone viewing the trade-mark CAR TRADER in association with the Applicant's proposed wares and services (which have been defined as relating to the sale and/or purchase of

cars) would immediately understand that the intended market is people who would trade in cars. To put it another way, the words "car trader" clearly describe the character of the Applicant's publications and database because such words clearly point to the target consumer, i.e. people engaged in buying and selling cars. The s. 12(1)(b) ground of opposition therefore succeeds.

Distinctiveness Ground of Opposition

[26] A trade-mark that is clearly descriptive or deceptively misdescriptive is necessarily not distinctive [see *Canadian Council of Professional Engineers v. APA - The Engineered Wood Association* (2000), 7 C.P.R. (4th) 239 (F.C.T.D.) at 253]. Therefore, given my decision with respect to the s. 12(1)(b) ground of opposition, the distinctiveness ground of opposition also succeeds.

Section 16 Grounds of Opposition

[27] As the opposition has already succeeded under two grounds, I will not rule on the remaining grounds.

Disposition

[28] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application, pursuant to s. 38(8) of the Act.

Jill W. Bradbury
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office