



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

Citation: 2015 TMOB 41
Date of Decision: 2015-03-16

**IN THE MATTER OF AN OPPOSITION
by Daimler AG to application
No. 1,540,799 for the trade-mark Smart
clear Design in the name of ADM21 Co.,
Ltd.**

[1] On August 23, 2011, ADM21 Co., Ltd. (the Applicant) filed application No. 1,540,799 to register the trade-mark Smart clear Design (the Mark), as shown below.

The trade-mark 'Smart clear' is rendered in a stylized, outlined font. The letters are thick and have a white fill, with a black outline. The 'S' is particularly large and stylized, with a white fill and a black outline. The word 'clear' is in a similar style but smaller.

[2] Colour is claimed as a feature of the Mark. The colour claim reads as follows: “The colours black, green, yellow and white are claimed as a feature of the mark. The exterior outline of each letter is in black and the interior outline of each letter is in green. Each letter is filled with the color white except the fifth section at the lower end of the letter S which is filled in yellow”.

[3] The application for the Mark is based upon proposed use in Canada and it covers goods which are described as “windshield wiper blades for automobiles; windshield wipers for automobiles; windshield wipers for front-glass of automobiles”. The application claims priority to Korean application No. 40-2011-0040361, which was filed on July 26, 2011.

[4] The application was advertised for opposition purposes in the *Trade-marks Journal* dated September 5, 2012 and on February 5, 2013, Daimler AG (the Opponent) filed a statement of opposition (later amended), under section 38 of the *Trade-marks Act*, RSC 1985, c T-13 (the

Act). The grounds of opposition are based upon sections 16(3)(a), 16(3)(b), 12(1)(d) and 2 (distinctiveness) of the Act.

[5] A counterstatement denying each of the grounds of opposition was filed by the Applicant.

[6] The Opponent submitted a statement that it did not intend to file any evidence. As its evidence, the Applicant filed the affidavit of Han Wool Lee, sworn November 26, 2013 (the Lee affidavit) and the affidavit of Mary P. Noonan, sworn November 29, 2013 (the Noonan affidavit). Neither of the affiants was cross-examined.

[7] Both of the parties filed written submissions, but no hearing was held.

Onus

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

Grounds of Opposition Summarily Dismissed

Section 16(3)(a) - non-entitlement

[9] The Opponent has pleaded that the Applicant is not the person entitled to registration of the Mark in view of the Opponent's prior use of its SMART trade-marks as set out in Schedule "A" attached hereto.

[10] With respect to this ground of opposition, there is an initial burden on the Opponent to evidence use of its trade-marks prior to the Applicant's priority filing date and show that it had not abandoned its trade-marks as of the date of advertisement of the application for the Mark [section 16(5)].

[11] The Opponent has not provided any evidence of use of its trade-mark and it has therefore failed to meet its initial evidential burden in relation to its section 16(3)(a) ground of opposition.

[12] Accordingly, this ground of opposition is dismissed.

Section 2 - non-distinctiveness

[13] The Opponent has pleaded that the Mark does not distinguish and is not adapted to distinguish the Applicant's goods from the goods and services of the Opponent, in association with which it has applied for or used its SMART trade-marks as set out in Schedules "A" and "B" attached hereto.

[14] In order to satisfy its initial burden with respect to a distinctiveness ground of opposition, an opponent's evidence must show that its trade-marks had become known sufficiently as of the commencement of the opposition to negate the distinctiveness of the applied-for trade-mark [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC) and *Motel 6, Inc v No. 6 Motel Ltd* (1981), 56 CPR (2d) 44 at 58 (FCTD)].

[15] In this case, the Opponent has not filed any evidence of use. It has therefore failed to meet its initial burden

[16] Accordingly, this ground of opposition is dismissed.

Analysis of Remaining Grounds of Opposition

Section 12(1)(d) – non-registrability

[17] The Opponent has pleaded that the Mark is not registrable because it is confusing with the Opponent's registered trade-marks as set out in Schedule "A" attached hereto, all of which consist of or incorporate the word SMART.

[18] The material date to assess this ground of opposition is the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)].

[19] I have exercised my discretion and checked the register to confirm that the Opponent's registrations are extant [*Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. Therefore, the Opponent has met its initial burden with respect to this ground.

[20] As the Opponent's evidentiary burden has been satisfied, the Applicant must therefore establish on a balance of probabilities, that there is no reasonable likelihood of confusion between its trade-mark and the Opponent's trade-marks.

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

[22] 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 trade-marks and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight [see, in general, *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC) and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC)].

[23] I consider the Opponent's case to be the strongest for its registration for SMART (registration No. TMA645,061), as this trade-mark has the least amount of additional matter and the goods in this registration are more similar to those of the Applicant, than the goods and services which are associated with the Opponent's other trade-marks. I will therefore focus on this particular trade-mark when doing my confusion analysis.

Section 6(5)(a): the inherent distinctiveness of the trade-marks and the extent to which they have become known

[24] In paragraphs 6.24 and 6.25 of its written argument, the Opponent concedes that the word SMART, which forms the whole of its trade-mark, is a common dictionary word. However, it takes the position that it has no clear meaning in association with its goods, is therefore not descriptive or suggestive of them and is inherently distinctive. With respect to the Mark, the Opponent notes that it also includes the word SMART, but submits that the word CLEAR is

descriptive and thereby renders the Mark less inherently distinctive. In this regard, the Opponent states in paragraph 6.13 of its written argument that CLEAR describes a function of the Applicant's goods (i.e. that the wipers "clear" the windshield). Curiously, in paragraph 6.14, of its written argument, the Opponent states that its trade-mark is "suggestive of something smart", whereas the Mark is "suggestive of something smart *and* clear". It is difficult to reconcile this statement with the Opponent's previous statement that its trade-mark is not descriptive or suggestive. In any event, I do not agree with the Opponent's assessment of the inherent distinctiveness of the parties' trade-marks.

[25] I have consulted the online version of the *Canadian Oxford Dictionary (2d)* and I note that the word SMART is used to describe devices which are "capable of independent and seemingly intelligent action". In my view, this could easily describe either of the parties' goods and I therefore do not find either of their trade-marks to be particularly inherently distinctive.

[26] A trade-mark may also acquire distinctiveness by means of it becoming known through promotion or use. The Opponent has not filed any evidence to establish that its trade-mark has been used or become known to any extent. The application for the Mark is based upon proposed use. The Applicant has filed the Lee affidavit, which establishes that it has made at least some use of the Mark to date. However, as the Opponent has pointed out, it does not evidence a substantial amount or lengthy period of use of the Mark in Canada.

[27] In paragraphs 10 and 11 of his affidavit, Mr. Lee states that the Applicant has sold windshield wiper blades in Canada since at least as early as September of 2013 in association with the Mark. According to Mr. Lee, the Applicant sold at least 40,000 units for a total sales value in excess of \$150,000. In paragraphs 12 and 13, Mr. Lee provides some further information regarding how and where the Applicant's windshield wiper blades are sold in Canada. In particular, he states that they are sold through wholesalers and retail outlets, including in the provinces of Alberta and Ontario. Mr. Lee's affidavit was sworn on November 26, 2013, which means that Applicant's evidence relates to less than a three month period of sales.

[28] I therefore do not find that this factor, which takes into account a combination of the inherent distinctiveness of the parties' trade-marks and the extent to which they have become known, favors either party to any significant extent.

Section 6(5)(b): the length of time each trade-mark has been in use

[29] As mentioned previously, the application for the Mark is based upon proposed use and the Applicant has filed only minimal evidence of use. The Opponent hasn't filed any evidence of use whatsoever and I cannot infer a lengthy period or substantial amount of use based solely upon the existence of its registration [*Entre Computer Centers, Inc v Global Upholstery Co* (1991), 40 CPR (3d) 427 (TMOB)].

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

[30] When considering sections 6(5)(c) and (d) of the Act, it is the statement of goods in the application for the Mark and the statement of goods in the Opponent's registration No. TMA645,061 for SMART that govern the assessment of the likelihood of confusion under section 12(1)(d) of the Act [see *Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA) and *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)].

[31] The statement of wares in the Opponent's registration covers "motor land vehicles, namely, automobiles and their structural and replacement parts, and engines and motors for automobiles" and the statement of goods in the application for the Mark covers "windshield wiper blades for automobiles; windshield wipers for automobiles; windshield wipers for front-glass of automobiles". Thus, there is some relationship between the parties' goods and to the extent that "windshield wiper" related goods may be considered to fall within the category of "structural and replacement parts" for automobiles, the goods overlap.

Section 6(5)(e): the degree of resemblance between the marks in appearance or sound or in the ideas suggested by them

[32] When considering the degree of resemblance between two trade-marks, the law is clear that they must be considered in their totality. Furthermore, it is not correct to lay the trade-marks side by side to compare and observe the similarities or differences between them. The test for confusion is one of first impression and imperfect recollection.

[33] In *Masterpiece, supra*, the Supreme Court of Canada discusses the importance of the degree of resemblance between trade-marks in conducting an analysis of the likelihood of confusion. In the reasons for judgment, Mr. Justice Rothstein states at paragraph 49:

[...] the degree of resemblance, although the last factor listed in s. 6(5), is the statutory factor that is often likely to have the greatest effect on the confusion analysis [...] if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion. The other factors become significant only once the marks are found to be identical or very similar [...].

[34] In the present case, I find that there is some degree of resemblance between the parties' trade-marks in that the Opponent's trade-mark consists solely of the word SMART and the Mark incorporates the whole of it into its first and most dominant part. However, the Mark is formed of two words, also includes the word CLEAR, features a design component in the letter "S" at the beginning of SMART and claims color as a feature. Consequently, as a matter of first impression and imperfect recollection, I also find that there are some visual and phonetic differences between the marks, in addition to some differences in connotation.

Surrounding Circumstances - State of the Register

[35] As part of its evidence, the Applicant has filed the Noonan affidavit. Ms. Noonan is a trade-mark searcher employed by the Applicant's agent. She conducted a search of the Canadian trade-mark register for registrations or allowed applications for trade-marks containing the element SMART, for which the associated goods or services relate to automobiles or other similar vehicles. The Opponent's trade-marks were excluded in her search [Noonan affidavit, paras 1-3]. In paragraph 4 of her affidavit, she states that her search revealed at least 110 such trade-marks. Print-outs detailing the results of her search and showing the particulars for the trade-marks are attached as Exhibit "MN-1" to her affidavit.

[36] In paragraph 5 of her affidavit, Ms. Noonan highlights 11 trade-marks in particular. She does not indicate why she elected to highlight these particular trade-marks. In its written argument, the Applicant highlighted 15 trade-marks, a number of which overlap with the 11 which Ms. Noonan highlighted in her affidavit.

[37] The parties agree that state of the register evidence is relevant insofar as one can make inferences from it about the state of the marketplace and that inferences about the state of the marketplace can be drawn where large numbers of relevant registrations are located [*Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Welch Foods Inc v Del Monte Corp* (1992), 44 C.P.R. (3d) 205 (FCTD); *Maximum Nutrition Ltd v Kellogg Salada Canada Inc* (1992), 43 CPR (3d) 349 (FCA)].

[38] The parties disagree about the relevance of the applications and registrations which have been located by Ms. Noonan. The Opponent takes the position that 39 of them are not relevant due to the fact that the goods and services which are associated with them differ too much from those of the parties. The Opponent also notes that 2 are abandoned or expunged, 6 issued to registration based upon foreign use only and 4 are still pending and based upon proposed use. The Opponent submits that the remaining trade-marks are not sufficient on their own to draw any inferences about the state of the marketplace since the Applicant did not provide any evidence of their use in the marketplace.

[39] If we subtract out the aforementioned trade-marks, we are still left with a fair number of trade-marks. I do not necessarily accept the Opponent's submission that these remaining trade-marks are insufficient to enable me to draw an inference that consumers are accustomed to seeing and distinguishing between such marks in the marketplace within the specific context of the parties' goods. However, even if I were to accept the Opponent's submission in this regard, I am still prepared to give the state of the register evidence overall some weight. I do find it sufficient to draw an inference of a general consumer exposure to and awareness of SMART trade-marks in the Canadian marketplace in relation to automobile related goods and services and/or other goods and services which are peripherally related thereto and I find this to be a relevant consideration to take into account when considering the inherent distinctiveness of the parties' trade-marks.

Conclusion

[40] I conclude that the Applicant has discharged its burden to prove, on a balance of probabilities that the Mark is not likely to cause confusion with any of the Opponent's trade-mark. Any degree of resemblance between the parties' trade-marks is due solely to the fact that they both include the word SMART. In fact, the Opponent's entire trade-mark consists of the word SMART. However, SMART is not inherently distinctive, as it is laudatory in nature and the Opponent has not filed any evidence to establish that its trade-mark has been used or that it has acquired any distinctiveness. In view of this, despite any overlap in the nature of the parties' goods or in their channels of trade, I find that that the additional elements in the Mark (i.e. the combination of the word CLEAR, the stylization and the color claim) are sufficient to conclude that, on a balance of probabilities, there is not a reasonable likelihood of confusion.

[41] Accordingly, the section 12(1(d) ground of opposition is unsuccessful.

Section 16(3)(b) – non-entitlement

[42] The Opponent has pleaded that the Applicant is not the person entitled to registration of the Mark in view of the Opponent's previously filed application for SMART (application No. 1,513,358), which currently covers "light vehicles, namely, bicycles with/without propulsion unit and scooters with/without propulsion unit" (see Schedule "B" attached hereto).

[43] In order to meet its initial burden under this ground of opposition, the Opponent must show that its application had been filed prior to the Applicant's July 26, 2011 priority filing date for the Mark and was still pending as of the September 5, 2012 date of advertisement of the application for the Mark [section 16(4) of the Act].

[44] The Opponent has not filed a certified copy of its application as evidence in support of this ground of opposition. However, the Registrar has the discretion, in view of the public interest, to check the register for applications relied upon by an opponent [see *Royal Appliance Mfg Co v Iona Appliances Inc* (1990), 32 CPR (3d) 525 (TMOB)]. I have exercised my discretion to check the status of the Opponent's application and I confirm that it was filed prior

to the application for the Mark and it was still pending as of the date of advertisement of the Mark. In view of this, the Opponent has met its initial evidential burden in respect of this ground.

[45] The material date for assessing this ground of opposition is the priority filing date of the application for the Mark. However, in the circumstances of this case, nothing turns on the date on which I assess confusion. I did not consider the Applicant's brief period of use of the Mark to be a significant factor in concluding as I did under the section 12(1)(d) ground of opposition and the fact that it cannot be taken into account at all under this ground of opposition is immaterial. If anything, the Opponent's chance of success is even lower in respect of this ground, due to the differing nature of the goods which are associated with the trade-mark which is the subject of the Opponent's application No. 1,513,358. Thus, for reasons similar to those set forth in my analysis under the section 12(1)(d) ground of opposition, I find that the Applicant has discharged its burden to prove, on a balance of probabilities, that the Mark is not likely to cause confusion with the Opponent's trade-mark SMART, which is the subject of application No. 1,513,358.




[46] Accordingly, this ground of opposition is unsuccessful.

Disposition

[47] In view of the foregoing, 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.

Lisa Reynolds
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

SCHEDULE "A"

Trade-mark	Registration No.	Goods/Services
	TMA783,722	model automobiles
SMART	TMA645,061	motor land vehicles, namely, automobiles and their structural and replacement parts, and engines and motors for automobiles
	TMA793,974	Inspection, reconditioning, road testing, warranty, sales, servicing and leasing of used automobiles
	TMA793,972	Inspection, reconditioning, road testing, warranty, sales, servicing and leasing of used automobiles

Schedule "B"

Trade-mark	Application No.	Goods/Services
smart	1,513,358	Light vehicles, namely, bicycles with/without propulsion unit and scooters with/without propulsion unit