



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

Citation: 2010 TMOB 139
Date of Decision: 2010-08-18

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Coastal Trademark Services against
registration No. TMA433,393 for the trade-mark AAA &
Design in the name of American Automobile Association,
Inc.**

[1] On February 9, 2007, at the request of Coastal Trademark Services (the Requesting Party), the Registrar of Trade-marks issued the notice prescribed by s. 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act) to American Automobile Association, Inc. (the Registrant), the registered owner of registration No. TMA433,393 for the trade-mark AAA & Design (the Mark). The Mark is shown below:



[2] The Mark is registered in association with:

services rendered to motor vehicle owners, motorists and travelers generally, namely:

1. disseminating travel information;
2. making travel arrangements;

3. rating tourist accommodations;
4. providing emergency road services;
5. recovering stolen motor vehicles;
6. apprehending motor vehicle thieves and hit and run drivers;
7. offering rewards for information leading to arrest and conviction of members' automobiles;
8. obtaining motor vehicle license plates and title certificates;
9. teaching motor vehicle operation;
10. sponsoring school safety patrols;
11. conducting traffic and pedestrian safety campaigns giving traffic safety lesson;
12. advocating legislation favorable to safe and economical motor vehicle travel, operation and maintenance;
13. conducting motor vehicle trials and endurance tests;
14. making tests of automotive and related products,
15. adjusting and collecting damage claims;
16. obtaining insurance;
17. placing insurance with underwriters;
18. arranging for discount purchases;
19. financial services including payment and collection of traveller's cheques, time deposits, investment counseling services, credit card and auto loan services;
20. reimbursement for legal services.

[3] Section 45 requires the registered owner of a trade-mark to show whether the mark has been used in Canada in association with each of the wares and services listed in the registration at any time during the three years preceding the date of the notice, in this case between February 9, 2004 and February 9, 2007 (the Time Period). If the mark has not been used during that time period then the registered owner is required to indicate the date on which it was last used and the reason why it has not been used since that date. The onus on a registered owner under s. 45 is not

a heavy one [*Austin Nichols & Co. v. Cinnabon, Inc.* (1998), 82 C.P.R. (3d) 513 (F.C.A.)]. Evidentiary overkill is not required [*Union Electric Supply Co. Ltd. v. Registrar of Trade-marks* (1982), 63 C.P.R. (2d) 56 (F.C.T.D.)]. Also, the purpose of s. 45 must be born in mind, as enunciated by Mr. Justice Tremblay-Lamer in *Ridout & Maybee LLP v. Omega SA* (2004), 39 C.P.R. (4th) 261 (F.C.), at paragraph 22:

Time and again, this Court and the Court of Appeal has maintained that s. 45 is intended to establish a "simple, summary and expeditious procedure for clearing the register of trade-marks which are not bona fide claimed by their owners as active trade-marks": *Carter-Wallace, supra* at para. 17, quoting *Philip Morris Inc. v. Imperial Tobacco Ltd.* (1987), 13 C.P.R. (3d) 289 (Fed. T.D.) at 293. "Deadwood" is to be cleared but the resolution of contentious issues between competing commercial interests are not the object of a s. 45 inquiry: *Philip Morris Inc. v. Imperial Tobacco Ltd.* (1987), 17 C.P.R. (3d) 237 (Fed. C.A.).

[4] What qualifies as use of a trade-mark in association with services is defined in s. 4(2) of the Act, which is reproduced below:

4. (2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

When considering if a mark has been used in association with services, the services should be interpreted broadly [*Société Nationale des Chemins de Fer Français SNCG v. Venice Simplon-Orient-Express Inc. et al.* (2000), 9 C.P.R. (4th) 443 (F.C.T.D.)].

[5] In response to the s. 45 notice, the Registrant filed affidavits of David Steventon and James G. Brehm.

[6] The Requesting Party filed and served its written argument. The Registrant then requested a retroactive extension of time to file a supplemental affidavit of James G. Brehm as part of its evidence. This supplemental evidence was intended to respond to what the Registrant referred to as a "technical objection" raised in the Requesting Party's written argument. By letter dated June 10, 2008, the Registrar refused the request and returned the supplemental affidavit to the Registrant. In due course, the Registrant filed and served its written argument. Upon reviewing such written argument, the Requesting Party noted that it referred to facts that are not in evidence and wrote to the Registrar to submit that the Registrant's written argument should be struck in whole or in part. By letter dated December 5, 2008, the Registrar advised that if it was

found that the Registrant introduced evidence by way of its written argument then such evidence would be disregarded at the decision stage.

[7] An oral hearing was held, in which only the Registrant participated.

Preliminary Comment

[8] I agree that the Registrant's written argument improperly refers to information that was allegedly contained in the supplemental affidavit that is not part of the record in this proceeding. I also note that the Requesting Party's written argument refers to information that is not part of the record in this proceeding, in particular information that it obtained from the Internet. All such inappropriate references have been disregarded.

Summary of Affidavit Evidence

[9] I will summarize those portions of the evidence that I consider to be the most relevant.

[10] Mr. Brehm is the Corporate Counsel and a Managing Director of the Registrant. He states that the Registrant is a corporation of Connecticut that "operates as a federation of independent automobile clubs throughout the United States and Canada, with the clubs being licensed to use the marks of the association." As of April 2007, the Registrant had over 5 million members in Canada.

[11] Mr. Brehm attests that "the Canadian Automobile Association (CAA) is affiliated with [the Registrant] and is licensed and authorized to use the trade and service marks of and to distribute AAA publications to its members throughout Canada."

[12] Mr. Brehm states that the Registrant "publishes maps, tour guides, and other travel related documents that are distributed to its members via offices managed by its affiliated clubs throughout the United States and Canada." The only attachment to Mr. Brehm's affidavit is a group of "true copies of invoices dated January 16, 2007 for TOURBOOK and CAMPBOOK publications bearing the AAA mark which have been purchased by CAA clubs from AAA for distribution to members of the CAA clubs." These invoices display an AAA Design in the upper left hand corner, which would qualify as the Mark based on the logic set out in *Nightingale*

Interloc Ltd. v. Prodesign Ltd. (1984), 2 C.P.R. (3d) 535 (T.M.O.B.) and subsequent cases. However, these invoices do not show use of the Mark in association with any of the services listed in the registration.

[13] Mr. Steventon is the Manager, Standards & Accreditation with the CAA. He states that the CAA is a federation of 9 automotive clubs with almost 5 million members across Canada in 2006.

[14] Paragraph 5 of Mr. Steventon's affidavit reads:

5. The Canadian Automobile Association is a member of the American Automobile Association. As part of the membership commitment, the CAA represents the American Automobile Association in Canada and provides reciprocal services to visiting AAA members. This establishes the perception of a seamless delivery of AAA branded goods and services throughout North America.

[15] Exhibit "B" to the Steventon affidavit is a collection of invoices for a network service that allows clubs to verify membership status. I do not consider these to be pertinent to the issues at hand.

[16] Exhibit "C" comprises online encyclopaedia entries for "Canadian Automobile Association" and "American Automobile Association" obtained from www.wikipedia.org on 6/6/2007. It seems rather odd to use that vehicle to introduce evidence about the affiant's company and the Registrant. The Requesting Party has submitted that Wikipedia is not a reliable source and generally I would agree with that. However, as Mr. Steventon has sworn that based on his knowledge, the information contained in the Wikipedia entries is correct, I have considered it. The information does not however show use of the Mark in association with any services; the Registrant has conceded this, submitting in its written argument that the purpose of this evidence was "to provide background regarding the Registrant's business and the normal course of trade through which its wares and services are offered to customers."

[17] Paragraphs 8 and 9 of Mr. Steventon's affidavit read:

8. The CAA is licensed by the AAA to use its trade-marks in Canada for the convenience of CAA Member Clubs and members of both the American Automobile Association and the Canadian Automobile Association.

9. Every member of a CAA Club carries a membership card showing the masterbrand AAA trade-mark on it. Attached as Exhibit "S" to this my affidavit are photocopies of representative cards issued to CAA members.

[18] Exhibit "E" is a page from the Internet, but I am disregarding it as it is not clear that it is from the Time Period; even though it bears a copyright notice of 2007 this does not mean that it was online prior to February 9, 2007. I will however accept that the "sample copy of an AAA Travel Store Catalogue" introduced as Exhibit "F" was employed during the Time Period, as it seems reasonable that a catalogue dated 2007 would have been employed throughout that year. Mr. Steventon states that the "catalogue contains printed publications and merchandise that CAA Clubs can order for resale."

[19] Paragraphs 12 to 14 of Mr. Steventon's affidavit concern certain printed materials distributed by the CAA, copies of which are introduced as Exhibits "G", "H" and "I":

12. In the delivery of auto travel services in 2006 to CAA members and visiting AAA members, CAA Clubs handed out 1,697,436 AAA branded TourBooks, CityBooks, CampBooks and maps. Attached as Exhibit "G" are photocopies of the front, back and relevant inside pages of sample TourBook publications provided by the AAA for distribution in Canada by CAA Clubs.

13. In the delivery of auto travel services in 2006 to CAA members and visiting AAA members, CAA Clubs handed out 7,250,150 AAA branded strip maps which are used to compile TripTiks (personalized routings). Attached as Exhibit "H" are photocopies of the front and back of representative samples of these maps which are provided by the AAA for distribution in Canada by CAA Clubs.

14. Attached as Exhibit "I" is a representative sample of a TripTik® distributed through a CAA club.

Evidence of Use with Specific Services

[20] I have carefully considered the evidence to see if it shows use of the Mark in Canada during the Time Period in association with each of the 20 specific services listed under the heading “services rendered to motor vehicle owners, motorists and travelers generally.”

[21] Having reviewed Mr. Steventon’s Exhibit “G”, I am satisfied that it shows use of the Mark in Canada during the Time Period in association with the following specific services:

disseminating travel information;

making travel arrangements;

rating tourist accommodations;

providing emergency road services;

teaching motor vehicle operation;

arranging for discount purchases;

obtaining insurance;

placing insurance with underwriters;

financial services including payment and collection of traveller's cheques, credit card services.

In particular, the publications, which were distributed in Canada, contain advertisements for each of the above services displaying the Mark. Thus the foregoing services were promoted to prospective customers in Canada in association with the Mark. It does not matter if the services were performed in Canada during the Time Period; applying the reasoning in *Wenward (Canada) Ltd. v. Dynaturf Co.*, 28 C.P.R. (2d) 20, the fact that the services were offered to prospective customers in Canada and were available to be performed in Canada satisfies the requirements of s. 4(2) of the Act.

[22] The Requesting Party has submitted that the use shown does not accrue to the benefit of the Registrant pursuant to s. 50 as neither affiant has stated that the Registrant controls the Canadian Automobile Association’s use of the Mark. Section 50 reads:

50. (1) For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trade-mark to use the trade-mark in a country and the owner has, under the licence, direct or indirect control of the character or quality of the wares or services, then the use, advertisement or display of the trade-mark in that country as or in a trade-mark, trade-name or otherwise by that entity has, and is deemed always to have had, the same effect as such a use, advertisement or display of the trade-mark in that country by the owner.

(2) For the purposes of this Act, to the extent that public notice is given of the fact that the use of a trade-mark is a licensed use and of the identity of the owner, it shall be presumed, unless the contrary is proven, that the use is licensed by the owner of the trade-mark and the character or quality of the wares or services is under the control of the owner.

[23] In the present circumstances, I do not think that there is a need to invoke s. 50. Mr. Steventon has stated that the publications introduced as Exhibit “G” were provided by the Registrant for distribution in Canada. The Registrant’s publications, advertising its services in association with the Mark, were distributed in Canada; the distributor of the advertisements need not be a controlled licensee. Throughout the publications, there are indications that readers can contact the Registrant through its website or by telephone to obtain advertised services.

[24] In addition, I note that if there was evidence of use of the Mark by both the Registrant and by someone who has not been evidenced to be a controlled licensee, the latter’s use would be of no consequence in the present proceeding as distinctiveness of the Mark is not an issue here; s. 45 is concerned simply with whether the Registrant has made some use of the Mark.

[25] Regarding the remaining specific services, neither affiant has provided evidence that shows use of the Mark in association with those services in Canada. In addition, no special circumstances have been put forward to excuse the lack of use in association with such services. The following specific services will therefore be deleted from the registration:

recovering stolen motor vehicles;

apprehending motor vehicle thieves and hit and run drivers;

offering rewards for information leading to arrest and conviction of members' automobiles;

obtaining motor vehicle license plates and title certificates;

conducting motor vehicle trials and endurance tests;

sponsoring school safety patrols;

conducting traffic and pedestrian safety campaigns giving traffic safety lesson;

advocating legislation favorable to safe and economical motor vehicle travel, operation and maintenance;

making tests of automotive and related products, adjusting and collecting damage claims;

financial services including time deposits, investment counseling services, auto loan services;

reimbursement for legal services.

Disposition

[26] Pursuant to the authority delegated to me under s. 63(3) of the Act, in compliance with the provisions of s. 45 of the Act, the registration will be restricted to “services rendered to motor vehicle owners, motorists and travelers generally, namely: disseminating travel information; making travel arrangements; rating tourist accommodations; providing emergency road services; teaching motor vehicle operation; arranging for discount purchases; obtaining insurance; placing insurance with underwriters; financial services including payment and collection of traveller's cheques, credit card services”.

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