



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

**Citation: 2016-TMOB 33**  
**Date of Decision: 2016-02-24**

**IN THE MATTER OF AN OPPOSITION**

**Daimler AG**

**Opponent**

**and**

**Peter Kielland**

**Applicant**

**1,608,982 for smartEbike**

**Application**

Background

[1] On February 16, 2012, the Applicant filed application No. 1,608,982 for the trade-mark smartEbike (the Mark). The application is based upon use in Canada since June 15, 2010 in association with “electric assist bicycles”.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of October 9, 2013 and on November 25, 2013, the Opponent opposed it under section 38 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act). An amended statement of opposition was subsequently filed on December 11, 2013.

[3] The grounds of opposition are based upon sections 30(b), 12(1)(d), 16(1)(a) and 2 (distinctiveness) of the Act.

[4] The Applicant denied each of the allegations set out in the statement of opposition in a counter statement dated January 29, 2014.

[5] As evidence in support of its opposition, the Opponent filed the affidavit of Richard Trevisan, Director of smart Canada, a division of Mercedes-Benz Canada Inc. (the Canadian subsidiary of the Opponent) (Trevisan, para. 4) and certified copies of Canadian trade-mark registration Nos. TMA793,972 for the trade-mark SMART CERTIFIED & Design; TMA793,974 for the trade-mark smart Certifiée & Design; TMA783,722 for the trade-mark SMART & Design and TMA645,061 for the trade-mark SMART. Mr. Trevisan was not cross-examined.

[6] As evidence in support of its application, the Applicant filed the declaration of Alastair Samson, businessman and lawyer. Mr. Samson was not cross-examined.

[7] Only the Opponent filed a written argument. While the Opponent had requested an oral hearing, such request was later withdrawn.

[8] For the reasons which follow, the opposition is successful.

#### Onus

[9] The Applicant bears the legal onus of establishing on a balance of probabilities that his 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].

#### Non-conformance - Section 30(b) Ground

[10] The Opponent submits that the statements made by Mr. Samson do not assist the Applicant in establishing use of the Mark in Canada within the meaning of section 4(1) of the Act or continuous use of the Applicant's Mark in Canada from June 15, 2010 to the filing date of the application, namely, January 8, 2013.

[11] The issue under section 30(b) is whether the Applicant had continuously used the Mark in the normal course of trade from the alleged date of first use to the filing date of the application [see *Immuno AG v Immuno Concepts, Inc* (1996) 69 CPR (3d) 374 (TMOB); *Labatt Brewing Co v Benson & Hedges (Canada) Ltd* (1996), 67 CPR (3d) 258 (FCTD) at 262 and *Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd* 2014 FC 323].

[12] There is an initial evidential burden on the Opponent to adduce sufficient evidence to support its allegation of the application's non-conformity to section 30(b) of the Act, bearing in mind that the facts regarding the Applicant's first use are particularly within the knowledge of the Applicant [*Tune Masters v Mr P's Mastertune Ignition Services Ltd* (1996), 10 CPR (3d) 84 (TMOB) at 89 and *Corporativo de Marcas*, supra]. The Opponent's initial burden can be met by reference not only to its own evidence but also that of the Applicant's [see *Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) 216 (FCTD) at 230]. If the Opponent succeeds in discharging its initial evidential burden, the Applicant must then, in response, substantiate his claim of use during the material time.

[13] In this case, the Opponent filed its own evidence and also relied on the Applicant's evidence to meet its burden. The Opponent's evidence comprises print screen shots of the Internet search results for the Applicant, as well as VTI, none of which evidence use of the Mark (Trevisan, Exhibits J-L). This evidence implies an unsubstantiated assumption that use of a trade-mark by an applicant necessarily will include reference to that applicant on the Internet. I do not consider this to be the case. I therefore find that the failure to locate the Applicant, VTI or goods branded with the Mark on a very limited search of the Internet does not meet the Opponent's burden [*Blistex Inc v Smiths Medical ASD, Inc*, 2012 TMOB 184 (CanLii)].

[14] As noted above, the Opponent's initial burden can also be met by reference to the Applicant's evidence.

[15] The Applicant's affiant, Mr. Samson, explains that he has known the Applicant since 1999. He has worked together with the Applicant on several inventions, including his design for an electric assist bicycle which they named the "smartEbike". In December, 2008, the Applicant obtained the URL: *smartEbike.com* in order to promote the sales of this new bicycle design.

[16] Mr. Samson explains that one of the projects he helped the Applicant with was a software project aimed at testing the premise that, by branding electrically assisted bicycles with a trade-mark that was also prominently displayed as part of a website address, the public would be referred to the website, generating sales and increased market exposure. While extensive work was done on the website, the website was taken down because the final product was not available (Samson, para. 6).

[17] In addition to the software project described above, there was another project running which was focussed on developing the Ebike concept covered by patent applications in Canada and the U.S. for novel features of the bicycle design (Samson, para. 9). The Applicant developed and assembled two electrical assist bicycles to incorporate his design concepts one of which could carry cargo, both providing a foot rest for the rider (Samson, para. 10). Mr. Samson attached a photograph of the panier/saddlebag customarily carried on the bike clearly displaying the smartEbike trade-mark as Exhibit C to his declaration. It appears from Mr. Samson's evidence that while attempts were made to obtain funding for VTI to get into full production of the bicycles at VTI's offices in Almonte, Ontario (Samson, para. 11), such funding was never obtained.

[18] From paragraphs 12-15 of his declaration, Mr. Samson describes the Applicant's marketing activities, and pursuit of obtaining orders for the Applicant's electric assist bicycle. One of these activities included the attendance at a "green" conference held by Sustainable Development Technology Canada where one of the Applicant's bicycles was exhibited. Mr. Samson also describes meeting with John G. Polak at Canada Post but the Applicant was not able to persuade him to adopt the smartEbike for general post office use. Discussions were also held with a funding body supporting job creation in Lanark County but because there were no initial orders, no funding was obtained and the bicycle project was put on hold.

[19] The Opponent highlights the following paragraphs of Mr. Samson's declaration in particular in support of its argument that the Applicant has not continuously used the Mark since the date claimed:

16. By now it was late in the spring of 2010 and Peter Kielland (the Applicant) had started working on the development of several new product concepts, including a product

called the Scruzol multipurpose screwdriver. As it became apparent that this new product was going to be the primary focus of Peter's attention, work on the electric assist bicycle (and indeed other projects) *was put on the back burner*.

17. On or about June, 2010, Peter made a decision *to dispose of the 2 bicycles that had been built pending a recommencement of the bicycle project at a later date*. Both bikes came with paniers/saddlebags that bore the expression "smartEbike" as the highlighted portion of the phrase: [www.smartEbike.com](http://www.smartEbike.com). I am informed by Peter that at this time, and prior to June 15, 2010, one was given to Juergen Weichert for display and resale in his bicycle shop RideMore, and the other was sold personally by Peter to Dan Meloche for his personal use. Both bicycle recipients reside in the Ottawa area. I am further advised by Peter and verily believe that both bikes at that time of transfer to Juergen Weichert and Dan Meloche bore the logos of Exhibit C displaying the trade-mark "smartEbike" on the paniers/saddlebags that were provided with the bikes. I also personally noted upon attending at the premises of Visionary Technologies Inc. in Almonte that the cargo version of the smartEbikes that had previously been present on the premises was no longer there on or after June 15, 2010.

18. In December, 2012, *Peter decided to reactivate the bicycle project*. As part of this initiative, Peter applied for and obtained the URL [smartEbike.US](http://smartEbike.US) on or about December, 2012. Additionally Peter filed the present application for registration of the trade-mark on January 8, 2013. (emphasis added)

[20] The Opponent submits that even if the Applicant's evidence as a whole is sufficient to show use of the Mark within the meaning of section 4(1) of the Act, the Applicant has failed to show continuous use of the Mark in Canada in association with electric assist bicycles since the June 15, 2010, claimed date of first use. The Opponent maintains that by Mr. Samson's own admission, the Applicant had abandoned use of the trade-mark smartEbike in the spring of 2010, and then "reactivated" the "bicycle project" in December, 2012, some two and a half years later.

[21] Use of a trade-mark in association with goods is defined in section 4(1) of the Act as follows:

4.1 A trade-mark is deemed to be used in association with wares if, at the time of transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the package in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

[22] In my view, the Applicant's evidence puts into question its claim that it had continuously used the Mark in association with electric assist bicycles in accordance with section 4(1) of the Act since June 15, 2010, if at all.

[23] In this regard, hearsay deficiencies aside, it appears from the evidence of Mr. Samson that the two electrical assist bicycles developed and assembled to incorporate the Applicant's design concepts were used as samples for marketing and informational purposes with a view to obtaining future orders. However, since the Applicant never received the initial orders it required in order to obtain the funding to produce more bicycles, the Applicant's "bicycle project" was put on hold and the two bicycles that had been built were, in the words of Mr. Samson, "disposed of". I therefore do not consider the sale of one of the bicycles displaying the Mark to Mr. Dan Meloche to have been a sale of an electric assist bicycle in the normal course of trade.

[24] The evidence also shows that work on the electric assist bicycle project was "put on the back burner" late in the spring of 2010, and the bicycle project was not "reactivated" until December, 2012. While the Applicant had begun three different initiatives after that date (to presumably enter into contracts for sales of his bicycles), none of these initiatives had resulted in any sales of the bicycle by the date of Mr. Samson's affidavit, November 27, 2014 (Samson, paras. 18-19).

[25] Where an applicant seeks to register a trade-mark on the basis that it has been used by the Applicant prior to the filing of the application, such use must be continuous and in the normal course of trade [*Loblaws Inc v No Frills Auto and Truck Rental Ltd*, 2006 FC 537 at para 39]. In the *Corporativo de Marcas* decision, *supra*, the Court stated the following regarding the test for continuous use at para. 60:

The test for continuous use being qualified by the "ordinary course of trade" provides crucial flexibility to the analysis. To expect that the continuous use of Dom Perignon Champagne at a high end liquor store and a pack of gum at a corner store would be identical in volume would belie important context and how the rate of sales in different industries can vary widely. Still, trade-marks should not be registered over broad periods of time simply based on sporadic sales concentrated near the start of that period of time that fall below the ordinary course of trade. Otherwise, the use criterion, a cornerstone of trade-mark law, would be reduced to a technicality that any applicant could meet with isolated and manufactured sales that do not serve the principles underlying trade-mark law.

[26] In this case, the Applicant's product appears to be a very specialized bicycle targeted toward a specific business. However, the only evidence supporting the Applicant's claimed date

of first use was one sale of a bicycle displaying the Mark “for personal use” early on during the material time. Further, the Applicant has made a clear admission against interest that production of the Applicant’s electric assist bicycle was halted after the “disposal” of the only two bicycles it had ever manufactured. Finally, the Applicant has not provided any reasonable explanation about how a total void of evidence of use for a majority of the material time is consistent with continuous use in the ordinary course of his business. As a result, I am not satisfied that the Applicant had continuously used the Mark in the normal course of trade from the claimed date of first use of June 15, 2010 until the filing date of the application, i.e. January 8, 2013. The registration of the Mark should therefore be refused under section 30(b) of the Act.

#### Further Comments

[27] In view that I have already found the Opponent successful under one ground of opposition and I have no written submissions from the Applicant with respect to any of the grounds, I do not consider it necessary for me to deal with the remaining grounds of opposition. I would add, however, that the Opponent would likely have succeeded on at least the non-registrability and non-distinctive grounds which allege confusion between the Mark and the Opponent’s SMART trade-mark, registered under No. TMA645,061. In this regard, trade-marks are confusing when there is a reasonable likelihood of confusion within the meaning of section 6(2) of the *Trade-marks Act* , shown below:

6(2) The 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 ... or performed by the same person, whether or not the wares or services are of the same general class.

[28] Thus, the issue is not confusion between the marks themselves, but confusion of goods or services from one source as being from another source. In the instant case, the question posed by section 6(2) is whether purchasers of the Applicant's goods, provided under the Mark smartEbike, would believe that those goods were provided or authorized or licensed by the Opponent who sells its goods under a number of different marks, including the word mark SMART. The legal onus is on the Applicant to show, on the usual civil balance of probabilities standard, that there would be no reasonable likelihood of confusion.

[29] The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are "all the surrounding circumstances including" those specifically mentioned in sections 6(5)(a) to 6(5)(e) of the Act: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the goods, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive and all relevant factors are to be considered. Further, all factors do not necessarily have equal weight as the weight to be given to each depends on the circumstances: see *Gainers Inc v Marchildon* (1996), 66 CPR (3d) 308 (FCTD). However, as noted by Mr. Justice Rothstein in *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC), although the degree of resemblance is the last factor cited in section 6(5), it is the statutory factor that is often likely to have the greatest effect in deciding the issue of confusion.

[30] In this case, the Opponent's SMART mark, registration No. TMA645,061 is inherently stronger than the Applicant's Mark because the Applicant's Mark is suggestive of its associated goods. Further, Mr. Trevisan's evidence establishes a significant reputation at all material times for the Opponent's SMART mark in association with automobiles and their structural and replacement parts, and engines and motors for automobiles while the Applicant has shown barely any reputation of his Mark in Canada. In addition to showing use of its SMART mark in association with its registered goods, the Opponent has also shown as a further surrounding circumstance sales in excess of \$340,000 for electric bicycles sold in association with this mark between August 1, 2012 and March 31, 2014. Finally, I find that there is a fair degree of resemblance between the marks in appearance and sound. Therefore, for all of these reasons, I likely would have concluded that, on a balance of probabilities, the Applicant did not meet the legal onus on it to show that there was no reasonable likelihood of confusion between the Mark and the Opponent's mark SMART at all relevant material dates.



Disposition

[31] In view of the above, and pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

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Cindy R. Folz  
Member,  
Trade-marks Opposition Board  
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD  
CANADIAN INTELLECTUAL PROPERTY OFFICE  
APPEARANCES AND AGENTS OF RECORD**

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No Hearing Held

**AGENT(S) OF RECORD**

Riches, McKenzie & Herbert

FOR THE OPPONENT

No Agent Appointed

FOR THE APPLICANT

