#### TRADUCTION/TRANSLATION



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

Citation: 2010 TMOB 81 Date of Decision: 2010-06-01

IN THE MATTER OF OPPOSITIONS by Xtra Corporation to applications Nos. 1,214,252 and 1,214,253 for the trade-marks AUTO XTRA & Design in the name of Uni-Select Inc.

[1] On April 22, 2004, Uni-Select Inc. (the Applicant) filed applications to register the trade-marks AUTO XTRA & Design reproduced below (the Marks) claiming use of each of these trade-marks in Canada since at least as early as January 2004 in association with the following wares:

Lubricants, motor oils; all automotive chemicals and parts and accessories, namely shock absorbers, disc brakes, drum brakes (shoes), brake parts, brass battery terminals, oil filters, air filters, alternators, generators, control boxes, modules, water pumps, gasoline pumps, automotive oils, automotive headlights and lights, copper pipes, rubber hoses for air, oil, water and gasoline, suspension parts, body parts, spark plugs, exhaust system parts, gaskets, fender flaps, universal joints, auto mirrors, ignition products, namely ignition coils, starter relays, voltage regulator, fuses, rotors, electric control modules, spark plug wire set; tool box, tools, namely screwdrivers, pliers, body work hammers, ratchet wrenches, electric perforators, electric drills, wheel rim lug nut removers (the Wares).

[2] The applications, as advertised for opposition purposes in the *Trade-marks Journal* on February 16, 2005, include the following colour claims and disclaimers:

Application No. 1,214,252:



The applicant claims colour as a feature of the mark: GREY for the word AUTO, the right part of the upper bar in front of the term XTRA and the X; WHITE for the perspective aspect of the letters of the terms AUTO and XTRA and the left part of the three bars in front of the term XTRA; ORANGE for the right part of the centre bar in front of XTRA and the fine lines below the thick line above the background and above the thick line below the background; RED for the right part of the lower bar in front of the term XTRA, the letters T, R and A of the term XTRA, the line above the word AUTO, the line below the term XTRA and the thick lines above and below the background; BLACK for the background.

The right to the exclusive use of the words AUTO and XTRA is disclaimed apart from the trade-mark.

Application No. 1,214,253:



The applicant claims colour as a feature of the mark: GREY for the word AUTO, the right part of the upper bar in front of the term XTRA and the X; WHITE for the perspective aspect of the letters of the terms AUTO and XTRA and the left part of the three bars in front of the term XTRA; ORANGE for the right part of the centre bar in front of XTRA and the fine lines below the thick line above the background and above the thick line below the background; RED for the right part of the lower bar in front of the term XTRA, the letters T, R and A of the term XTRA, the lines above and below the terms AUTO XTRA and the thick lines above and below background: **BLACK** for the background.

The right to the exclusive use of the words AUTO and EXTRA is disclaimed apart from the trade-mark.

- [3] Xtra Corporation (the Opponent) filed a statement of opposition against each of these applications on April 14, 2005. The grounds of opposition in each case may be summarized as follows:
  - 1. The application does not conform to the requirements of paragraph 30(b) of the *Trade-Marks Act* (R.S.C. 1985, c. T-13) (the Act) because the Applicant's claimed date of first use is incorrect, as neither of the Marks has been used by the Applicant since that date;

- 2. Having regard to the provisions of paragraph 12(1)(*d*) of the Act, neither of the Marks is registrable because they are confusing with the Opponent's marks XTRA, XTRA CANADA and XTRA Design registered under Nos. TMA430,795; TMA430,818; TMA431,523 and TMA459,949;
- 3. Having regard to the provisions of paragraph 16(1)(a) of the Act, the Applicant is not the person entitled to registration of either of the Marks because the Marks are confusing with the Opponent's above-mentioned marks, used prior to the Applicant's claimed date of first use in each of its applications;
- 4. Having regard to the provisions of paragraph 16(1)(c) of the Act, the Applicant is not the person entitled to registration of either of the Marks because the Marks are confusing with the Opponent's trade-names Xtra and Xtra Canada, used prior to the Applicant's claimed date of first use in each of its applications; and
- 5. Neither of the Marks is distinctive of the Applicant's Wares within the meaning of section 2 of the Act because the Marks are not adapted to distinguish and do not actually distinguish the Applicant's Wares from the Opponent's wares and services in association with which the Opponent's above-mentioned trade-marks and trade-names have been and continue to be used.
- [4] The Applicant filed a counter statement denying all of the grounds of opposition in each case.
- [5] In support of its opposition in each case, the Opponent filed as evidence in chief the affidavits of Clarence Morrison (President of XTRA Canada, a regional office of XTRA Lease LLC (XTRA Lease), a subsidiary of the Opponent) sworn January 24, 2006, and Sharon Lee (secretary employed by the firm of lawyers and trade-mark agents representing the Opponent), also sworn January 24, 2006. Since both the affidavits of Mr. Morrison and Ms. Lee are identical for all intents and purposes, I will refer to them in the singular. In support of each of its applications, the Applicant filed as evidence in chief the statutory declarations of Michel Maheux (retired, formerly Senior Vice-President of North American Market Development for the Applicant). Since these statutory declarations are identical for all intents and purposes, I will refer to them in the singular. None of the deponents were cross-examined.

[6] Both parties filed written arguments and took part in an oral hearing.

#### **Analysis**

#### General principles and relevant dates

- The onus is on the Applicant to show that each of its applications conforms to the requirements of the Act. However, the Opponent bears the burden of ensuring that each of its grounds of opposition is duly argued and of discharging its initial evidentiary burden by establishing the facts supporting its grounds of opposition. Once this initial burden is met, the Applicant has to prove, on a balance of probabilities, that none of the grounds of opposition impedes the registration of the Mark [see *Massimo De Berardinis v. Decaria Hair Studio* (1984), 2 C.P.R. (3d) 319 (T.M.O.B.); *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.); *Joseph E. Seagram & Sons Ltd. et al. v. Seagram Real Estate Ltd.*, (1984), 3 C.P.R. (3d) 325 (T.M.O.B.); *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.*, (2002), 20 C.P.R. (4th) 155 (F.C.A.); and *Wrangler Apparel Corp. v. The Timberland Company*, 2005 FC 722].
- [8] The relevant dates for assessing the circumstances of each of the grounds of opposition in this case are the following:
  - 1. Ground based on section 30 of the Act: the filing date of each of the applications [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.)];
  - 2. Ground based on paragraph 12(1)(*d*) of the Act: the date of this decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.)];
  - 3. Grounds based on paragraphs 16(1)(a) and (c) of the Act: date of first use of the Marks claimed in each of the applications; and
  - 4. Ground based on non-distinctiveness of the Mark: generally accepted as being the filing date of each of the statements of opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)].

[9] I will now analyze the grounds of opposition in light of the evidence filed in each of the cases, without necessarily following the order in which they were raised. With the exception of the first ground of opposition based on paragraph 30(b), the four remaining grounds involve the likelihood of confusion between each of the Marks and the Opponent's trade-marks or trade-names. As I consider the ground based on paragraph 12(1)(d) of the Act to be the Opponent's strongest, I will analyze it first.

#### Ground based on paragraph 12(1)(d) of the Act

[10] Through the affidavit of Ms. Lee, the Opponent adduced an extract from the Canadian Intellectual Property Office database, showing the particulars of registration No. TMA459,949 for the mark XTRA Design reproduced below:



- [11] This is the only evidence introduced by Ms. Lee's affidavit.
- I have exercised my discretion and confirmed that each of the Opponent's registrations Nos. TMA430,795; TMA430,818; TMA431,523 and TMA459,949 for the trade-marks XTRA, XTRA CANADA and XTRA Design are still indicated as being active in the register of trade-marks. Accordingly, the Opponent has met its initial burden of proof. The Applicant must now show, on a balance of probabilities, that there is no likelihood of confusion between each of its Marks and the Opponent's marks. Since the mark XTRA (word and design versions) seems to be the most relevant in my view, I will focus my analysis on that one rather than the mark XTRA CANADA. A determination of the issue of confusion between the Opponent's mark XTRA (word and design versions) and each of the Applicant's Marks will effectively decide the outcome of this ground of opposition.
- [13] The test for confusion is one of first impression and imperfect recollection. Subsection 6(2) of the Act indicates that 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, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

In deciding whether trade-marks are confusing, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in subsection 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. This is not an exhaustive list, and different weight may be attributed to the various factors according to the context [see *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.); and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée et al.* (2006), 49 C.P.R. (4th) 401, [2006] 1 S.C.R. 824].

# (a) The inherent distinctiveness of the trade-marks and the extent to which they have become known

- [15] As they are descriptive or laudatory, none of the marks at issue have a high degree of inherent distinctiveness. It should be noted on this point that the Applicant has disclaimed the right to the exclusive use of the words "AUTO" and "[E]XTRA" apart from the Marks.
- [16] As for the extent to which the marks at issue have become known, the evidence on file shows that each of the marks has been used in Canada.
- [17] The affidavit of Clarence Morrison reveals that the Opponent has in fact been using the mark XTRA (word and design versions) in Canada since at least as early as 1993 in association with over-the-road trailer leasing and financing services.
- [18] More specifically, Mr. Morrison states in his affidavit that XTRA Lease, as the Opponent's licensee, is licensed to use the trade-mark XTRA (word and design versions).

  Mr. Morrison explains that, under this licence, the Opponent has direct or indirect control of the

character or quality of the services associated with this trade-mark in Canada [paragraph 3 of Mr. Morrison's affidavit].

- [19] Mr. Morrison explains that, in North America, including Canada, XTRA Lease rents out more than 125,000 over-the-road trailers, including semi-trailers, refrigerated trailers, storage trailers, flatbeds and chassis, in association with the mark XTRA [paragraphs 4, 5 and 6 of Mr. Morrison's affidavit and Exhibits "B" and "C"]. XTRA Lease also provides services that are incidental to its trailer leasing and financing services, such as roadside assistance (breakdown services) for problems with rented trailers and repair services for these trailers [paragraphs 7 and 8 of Mr. Morrison's affidavit and Exhibits "D" and "E"].
- [20] Mr. Morrison states that, apart from a few exceptions, the design version of the mark XTRA has been continuously displayed on all of the Opponent's trailers since 1993 to date [paragraphs 11 and 12 of Mr. Morrison's affidavit]. He adds on this point that the word mark XTRA and trade-name "Xtra" have been used in Canada by XTRA Lease or its predecessors since at least as early as 1964. As the Applicant rightly pointed out, the specimens of letterhead paper, envelopes, promotional brochures, invoices, lease agreements, photographs, trailer illustrations, etc., showing use of the mark XTRA (word and design versions) and trade-name Xtra by XTRA Lease in Canada, attached to Mr. Morrison's affidavit as Exhibits "F" to "S", appear for the most part to be relatively recent, as some of them are from the late 1990s or 2000s. Although I do not doubt the truthfulness of Mr. Morrison's statements regarding the date of first use of the word mark XTRA in Canada (which is also alleged in registration No. TMA430,795), I have no information allowing me to assess the nature and extent of the use of this mark in Canada from 1960 to 1990 and must therefore conclude that there was only minor use of this mark during that period.
- [21] The annual revenues (26 to 27 million Canadian dollars per year) generated by the Opponent's rental services in association with the mark XTRA (word and design versions) or trade-name Xtra in Canada provided by Mr. Morrison at paragraph 12 of his affidavit concern the years 2001 to 2005 only.

- [22] The amounts (\$250,000 U.S. dollars per year) spent on advertising these services at paragraph 13 of Mr. Morrison's affidavit also relate to the years 2003 to 2006 only. Moreover, these amounts apply to all of North America, not Canada specifically.
- [23] The specimens of advertisements and promotional material used in Canada, attached to Mr. Morrison's affidavit as Exhibits "T" to "Z" and "AA", also appear to be relatively recent, as some are from 2000 and 2004. In closing on the issue of the Opponent's evidence of use, I note that all of the specimens provided by Mr. Morrison show that the Opponent does not use the mark XTRA Design in its version as registered but, rather, the mark XTRA Design with the word "LEASE" in capital letters, slightly slanted, added underneath the underlining of the word XTRA. I am nevertheless prepared to accept for the purposes of my analysis that the use of this mark amounts to the use of the mark XTRA Design as registered [see *Registrar of Trade-marks v. Compagnie Internationale pour l'Informatique CII Honeywell Bull* (1985), 4 C.P.R. (3d) 523 (F.C.A.)]. In conclusion, I would acknowledge that, through the use of the mark XTRA (word and design versions) since at least as early as 1993, it has acquired some goodwill in Canada.
- [24] By contrast, the statutory declaration of Michel Maheux shows that the Applicant has been using the Marks in Canada since January 2004, although the Applicant has been using the mark AUTO EXTRA in word format or in a number of other design formats since 1984.
- [25] The Applicant was founded in 1968 and specializes in the distribution of replacement parts, tools, equipment and accessories for automotive vehicles. The Applicant today comprises over 589 merchant members operating a total of 1,148 stores. The Applicant is also the supplier for the franchise networks Midas, Speedy Brake & Wheel, Minute Muffler, OK Tire, Kal-Tire, Tirecraft and Certigard, among others, as well as institutional customers such as Hydro-Québec and Transports Québec [paragraph 5 of the statutory declaration of Mr. Maheux].
- [26] Mr. Maheux explains in his statutory declaration that the Applicant began using the word mark AUTO EXTRA in 1984 to identify some of its sales outlets [paragraph 6 of Mr. Maheux's statutory declaration and Exhibits "MM-1" to "MM-3"]. A copy of the particulars of the trade-mark registration No. TMA399,047 (still active) obtained by the Applicant for this service mark is also attached to his statutory declaration as Exhibit "MM-14".

- [27] In his statutory declaration, Mr. Maheux went on to explain that the Applicant then began using certain design formats of the mark AUTO EXTRA in association with a line of automotive vehicle products and accessories in 1991 [paragraphs 8 to 10 of Mr. Maheux's statutory declaration and Exhibits "M 4" to "MM-8"]. Copies of the particulars of registration Nos. TMA468,467 and TMA468,485 (still active) obtained by the Applicant for two of those design formats are also attached to this statutory declaration as Exhibit "MM-14".
- [28] The Applicant began using the mark AUTO EXTRA in the design formats at issue in these applications in 2004 [paragraph 12 of Mr. Maheux's statutory declaration]. In this regard, Mr. Maheux attached to his statutory declaration various specimens of advertising leaflets, packaging and photographs showing that the Marks have been displayed on several of the Wares since 2004 [Exhibits "MM-9" to "MM-14"].
- [29] Mr. Maheux states that, between 1994 and 2004, the Applicant made several hundreds of thousands of dollars in sales in association with the design mark AUTO EXTRA illustrated in Exhibits "MM-5" and "MM-6", corresponding to the mark registered under No. 468,485 [paragraph 11 of Mr. Maheux's statutory declaration]. Although Mr. Maheux contends that the design mark illustrated in these specimens is not significantly different from those covered by these applications, the sales figures are nonetheless prior to the adoption and use of the Marks.
- [30] Mr. Maheux adds on this point that the sales of products bearing the mark AUTO EXTRA, including in the design formats at issue in these applications, for the years 2001 to July 2006, amounted to approximately \$118,171,425 [paragraph 18 of Mr. Maheux's statutory declaration]. As this amount is not broken down by year, it is difficult for me to assess the value of the sales made since the adoption of the Marks.
- [31] Mr. Maheux further states that, be it through the use of brochures or posters at outlets, promotional newsletters or other types of promotional tools, and, more specifically, in electronic sales newsletters to customers, the Applicant made considerable efforts to advertise the mark AUTO EXTRA, including in the design formats at issue in these applications [paragraph 17 of Mr. Maheux's statutory declaration]. Without further details, it is difficult for me to assess the value and the extent to which these Marks were promoted. I find it reasonable to acknowledge, in light of all of the evidence filed by Mr. Maheux, that the Marks have been used to some extent in

Canada since 2004. This use follows the evolution of various design formats of the mark AUTO EXTRA that the Applicant has been using throughout the years since 1984.

[32] In conclusion on this first factor, I would acknowledge that each of the marks at issue has been used to some extent in Canada, more so as regards the Opponent's mark XTRA (word and design versions). Although this use may have helped to increase the distinctiveness of the marks at issue, more so in the case of the Opponent's mark XTRA (word and design versions), I am of the view that they nonetheless have relatively little inherent distinctiveness. The evidence on file does not allow me to conclude that any of the marks at issue are so well known that one party is significantly and conclusively favoured over the other in the overall assessment of this first factor.

#### (b) The length of time the trade-marks have been in use

[33] This factor favours the Opponent, as demonstrated by the analysis above.

#### (c) The nature of the wares, services or business; and (d) the nature of the trade

- [34] As shown by Mr. Maheux's statutory declaration and the excerpts of annual reports filed as Exhibit "MM-2", the Applicant is a business specializing in the wholesale distribution and marketing of replacement parts for automotive vehicles, tools and accessories for the automotive industry. The Applicant carries on business through its members that operate businesses dealing in the wholesale and retail sale of replacement parts for automotive vehicles and mechanical shops. Members' customers include gas stations, repair and body shops, truck fleet operators, car and heavy equipment dealers, public and private sector companies, and consumers.
- [35] The Opponent specializes in the rental of over-the-road transport trailers to businesses and companies [see the wording of the services under registration Nos. TMA430,795; TMA430,818; and TMA459,949, as shown by the evidence filed in support of Mr. Morrison's affidavit, including Exhibit "K"].
- [36] Even though the Applicant's Wares may be sold to truck fleet operators that may potentially lease trailers from the Opponent, I am of the opinion that the nature of the Applicant's Wares and business differs substantially from the Opponent's services.

- [37] As illustrated by the various specimens of brochures and contracts filed in support of Mr. Morrison's affidavit, the different types of trailers leased by the Opponent cater to clients with specific over-the-road equipment needs and are subject to detailed lease agreements. These services are intended for the freight transportation industry and are not retained lightly.
- [38] The Applicant's Wares are of an entirely different nature. The Applicant's replacement parts for automotive vehicles and tools are intended for the automotive industry and, more specifically, automotive vehicle maintenance.
  - (e) The degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them
- [39] The Marks both consist of the words "AUTO" and "[E]XTRA" combined with design elements. Considering the descriptive or laudatory nature of these words and their appearance or placement in each of the Marks, I am of the view that they are equally important. The importance usually attached to the first part of a trade-mark seems to be offset in this case by the descriptive nature of the word "AUTO" and the emphasis on the appearance of the letters "E" and "X" in the word "[E]XTRA".
- [40] There are many similarities between the part of the Marks composed of the word "[E]XTRA" and the design version of the Opponent's mark XTRA: the type of emphasis placed on the letter "X", the lettering used by the "TRA" component and the underlining of the word "EXTRA" or "XTRA". These similarities become considerably less marked, however, when the marks are considered in terms of their appearance as a whole, as well as in terms of the sound and the ideas that they suggest. The first part of the Marks consisting of the word "AUTO" produces a different sound and describes, in the context of the Wares, the fact that the Marks relate to the automotive industry. The word "AUTO" and the stylized "E" before the "XTRA" component in each of the Marks also gives them a different appearance as a whole than that of the design version of the Opponent's mark XTRA, which is characterized by the representation of a diagonal road in one of the bars of the "X". Even though the differences in the appearance of the marks at issue fade when the word version of the mark XTRA is considered, the differences in sound and the ideas that they suggest remain. The Opponent's mark XTRA has a laudatory connotation and may suggest in the context of the Opponent's services that they are "support"

services, whereas the combination of the words "AUTO" and "[E]XTRA" may suggest in the context of the Applicant's Wares that they are related to the automotive industry and are somewhat akin to "extras".

#### Conclusion – likelihood of confusion

[41] Considering the well-established principle in case law that, in the case of weak marks, small differences between the trade-marks are usually sufficient to avert all likelihood of confusion and given the differences between the wares and services in question, I am of the view that the Applicant has established, on a balance of probabilities, that a consumer with an imperfect recollection of the Opponent's mark XTRA (word and design versions) would not be likely to infer that the Wares bearing the Applicant's Marks AUTO XTRA & Design come from the same source or are otherwise connected or associated with the Opponent's trailer rental services. Accordingly, I reject the ground of opposition based on paragraph 12(1)(*d*) of the Act.

### Grounds based on paragraphs 16(1)(a) and (c) of the Act

- [42] The Opponent can discharge its initial burden of proof regarding paragraphs 16(1)(a) and (c) of the Act by establishing that its trade-mark XTRA (word or design versions) or trade-names Xtra and Xtra Canada had been used or made known in Canada prior to the Applicant's claimed date of first use in each of its applications and that it had not abandoned the use at the date of advertisement of those applications [subsection 16(5)].
- [43] For the reasons explained above, I find that the Opponent has discharged its initial burden of proof.
- [44] The difference between the relevant dates for the grounds of opposition based on paragraphs 12(1)(d) and 16(1)(a) and (c) has no real impact on my previous findings, which also apply to this ground. Accordingly, I would also reject the grounds of opposition based on paragraphs 16(1)(a) and (c) of the Act.

#### Ground based on non-distinctiveness

- [45] The Opponent can discharge its initial burden of proof regarding the non-distinctiveness of the Marks by establishing that its trade-mark XTRA (word and design versions) and trade-names Xtra and Xtra Canada had become sufficiently known in Canada at the date of the statement of opposition so as to negate the distinctiveness of the Mark [see *Motel 6 Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 (F.C.)].
- [46] For the reasons explained above, I find that the Opponent has discharged its initial burden of proof.
- [47] The difference between the relevant dates for this ground of opposition and the one based on paragraph 12(1)(d) of the Act has no real impact on my previous findings, which also apply to this ground. Accordingly, I would also reject the ground of opposition based on non-distinctiveness.

#### Ground based on paragraph 30(b) of the Act

[48] As the Applicant correctly pointed out, the Opponent failed to submit any evidence to support this ground of opposition. Even though the Applicant was not required as such to prove the date of first use for each of the Marks claimed in these applications, the Applicant's evidence of use as regards several of its Wares, far from being inconsistent with that date of first use, on the contrary supports it. As the Opponent failed to meet its initial burden of proof, the ground of opposition based on paragraph 30(b) of the Act must also be rejected.

## **Decision**

[49] Pursuant to the authority delegated to me under subsection 63(3) of the Act, I reject each of the oppositions pursuant to subsection 38(8) of the Act.

Annie Robitaille Member Trade-marks Opposition Board Canadian Intellectual Property Office

Certified true translation Tu-Quynh Trinh