



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

**Citation: 2015 TMOB 129
Date of Decision: 2015-07-28**

**IN THE MATTER OF AN OPPOSITION
by Johnson Inc. to application
No. 1,530,170 for the trade-mark
ALLWEST INSURANCE DIRECT in the
name of AllWest Insurance Services Ltd.**

[1] AllWest Insurance Services Ltd. (the Applicant) has applied to register the trade-mark ALLWEST INSURANCE DIRECT (the Mark) on the basis of its proposed use in association with:

Insurance brokerage services for vehicle, marine, residential, business, extended health and dental and life insurance products (the Services).

[2] Johnson Inc. (the Opponent) opposes this application primarily on the basis that the Mark is confusing with its registered mark INSURANCE DIRECT, registered in association with various services including insurance services. The Opponent also pleads that the Applicant could not have been satisfied that it was entitled to use the Mark in association with the applied for services because of its prior knowledge of the Opponent's INSURANCE DIRECT mark.

[3] For the reasons that follow, this application is refused.

The Record

[4] The Applicant filed its application for the Mark on May 27, 2011. The application was advertised for opposition purposes in the *Trade-marks Journal* of January 25, 2012.

[5] The Opponent filed a statement of opposition on June 21, 2012, and pleaded grounds of opposition based on the following sections of the *Trade-marks Act*, RSC 1985, c T-13 (the Act): non-compliance - section 30(i), non-entitlement - section 16(3)(a), non-registrability – section 12(1)(d) and non-distinctiveness – section 2. The final three grounds turn on a determination of the likelihood of confusion between the Mark and the Opponent’s mark INSURANCE DIRECT, registration No. TMA486,446, registered for use in association with the following services:

Insurance services; and financial services; namely, planning, development, and implementation of personal financial policies, goals and objectives, procurement and management of personal assets, liabilities, income, expenditures, funds, property, securities, investment, insurances, estates, trusts, bequests, and taxation; automated communications services controlling and recording company client intercommunications by mail, telephone or personal visit.

[6] The Applicant filed and served a counter statement in which it denied the Opponent’s allegations.

[7] As its evidence the Opponent filed the affidavit of Brian King, Vice-President, Marketing of the Opponent, and a certified copy of its registration No. TMA486,446 for the trade-mark INSURANCE DIRECT. The Applicant filed as its evidence the affidavits of Kellie Dale, Vice-President and General Manager of the Applicant; Kirsten Lynn Severson, Registered Trade-mark Agent in Canada and owner of KLS Trade-mark Services; and Ms. Kelly Waterman, Legal Assistant with the Applicant’s agent.

[8] Both parties filed a written argument and a hearing was held at which both parties were represented.

Onus and Material Dates

[9] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. There is however an initial 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 [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298; and *Dion Neckwear Ltd v Christian Dior, SA* (2002), 20 CPR (4th) 155 (FCA)].

[10] The material dates that apply to the grounds of opposition are as follows:

- Section 38(2)(a)/Section 30 - the filing date of the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- Section 38(2)(b)/Section 12(1)(d) - 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)];
- Section 38(2)(c)/Section 16(3)(a) – the Applicant’s date of filing;
- Section 38(2)(d)/non-distinctiveness - the filing date of the opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Preliminary Issues

Previous Decision

[11] In its oral and written arguments, the Opponent relied on a previous decision of the Registrar involving an opposition by another party to the registration of the Mark [*Canadian Direct Insurance Inc v AllWest Insurance Services Ltd* 2014 TMOB 102 (*Canadian Direct Insurance*)]. The issue in that decision was whether the Mark was confusing with the opponent’s mark CANADIAN DIRECT INSURANCE.

[12] While the issues in the present case may be similar to those that were addressed in the above decision, it must be remembered that each case must be decided on its own merits. I will therefore only refer to the above decision where I consider it appropriate to do so.

Admissibility of the Waterman affidavit

[13] The Opponent objects to the fact that Ms. Waterman is a legal assistant employed by the agents for the Applicant. The general argument is that employees are not independent witnesses giving unbiased evidence when they give opinion evidence on contested issues [*Cross-Canada Auto Body Supply (Windsor) Ltd v Hyundai Auto Canada* (2006), 53 CPR (4th) 286 (FCA) (*Cross-Canada*)].

[14] The issue therefore is whether any of the information contained in the Waterman affidavit comprises contentious opinion evidence of the type adduced in the *Cross-Canada* case. I shall summarize the nature of the evidence in order to assess what is admissible.

[15] Ms. Waterman's evidence includes the following:

- the results of a Google search she conducted using the search term "insurance direct";
- a printout from CIPO's database showing the particulars of an unrelated trade-mark that had been opposed by the Opponent and subsequently withdrawn;
- a list of similar trade-marks for similar services selected from the Severson affidavit; and
- the results of additional Google searches of three of the trade-marks listed in paragraph 4 of her affidavit (i.e. selected trade-marks from the Severson affidavit)

[16] Ms. Waterman did not opine on the results of any of the searches she conducted. I therefore do not consider her evidence to comprise contentious opinion evidence of the type adduced in the *Cross Canada* case. The google searches attached to Ms. Waterman's affidavit, however, are inadmissible hearsay. In this regard, the Applicant has not sufficiently explained how the google searches are both necessary and reliable [*Alpa Wood Mouldings Inc v Craftmaster Manufacturing Inc* (2007), 66 CPR (4th) 27 (TMOB) at 35-36]. In any case, it has previously been held that, generally, exhibits extracted from the Internet can only be relied upon as proof of the existence of the websites, not as proof of the truth of their contents [*Envirodrive Inc v 836442 Canada Inc* 2005 ABQB 446; *ITV Technologies Inc*, above].

[17] I have no difficulty, however, in accepting the evidence from Ms. Waterman that originates with the Canadian Trade-marks Office [i.e. the print-out from CIPO's database and the list of trade-marks selected from Ms. Severson's affidavit]. In this regard, the information presented is essentially a reflection of existing trade-mark office records or documents [*Mr Lube Canada Inc v Denny's Lube Centre Inc* (2008), 73 CPR (4th) 308 (TMOB)].

Summary of the Evidence

The Opponent's Evidence

[18] Mr. King is employed by the Opponent as Vice-President, Marketing. Mr. King explains that the Opponent is a leading Canadian insurance intermediary based in St. John's, Newfoundland and Labrador, with additional operations in Alberta, British Columbia, New Brunswick, Nova Scotia, Ontario and Prince Edward Island. The Opponent is appointed to sell and service home and auto insurance policies underwritten by Unifund Assurance Company as well as other insurance products underwritten by other insurers. The Opponent is also a leading provider and administrator of group benefits. The Opponent's group benefits consist of tailor made packages of insurance policies and other benefits made available to members of particular groups or organizations such as employees of a company or members of a retirement association (Affinity Groups).

[19] The Opponent owns several different trade-marks which it uses in association with the various insurance policies and group benefits it offers. One of these trade-marks is INSURANCE DIRECT, which is the subject of registration No.TMA486,446.

[20] The Opponent uses the trade-mark INSURANCE DIRECT in association with its custom packages of insurance products and benefits offered to Affinity Groups. In particular, the Opponent uses the trade-mark INSURANCE DIRECT alongside the "Get a Quote Now" functionality of its customized Affinity Group websites. (Exhibit A). Mr. King states that the Opponent has used its mark in this manner since at least April 2, 2012.

[21] The Opponent's group benefits packages, and in particular Johnson's customized websites have been very popular. The Opponent operates over 300 customized websites in the

nature of those shown in Exhibit A, all of which display the trade-mark INSURANCE DIRECT. In the first year the Opponent used the INSURANCE DIRECT trade-mark in the manner described above (April, 2012 to December, 2012), these websites received approximately 43,000 visits. Throughout the period January 2013 to December 2013, these websites received approximately 104,000 visits. Revenues from sales of insurance policies made as a result of quotes given by way of the Opponent's INSURANCE DIRECT "Get a Quote Now" feature of Johnston's customized Affinity Group websites for 2013 was estimated at \$1.8 million.

The Remainder of the Applicant's Evidence

Severson Affidavit

[22] Ms. Severson is a Registered Trade-mark Agent and the owner of KLS Trade-mark Services. Ms. Severson was contacted by the Applicant's agent to conduct a "how common" search with respect to the word "direct" for use in association with insurance services. To start, she conducted a preliminary search of the term "direct insurance" on the NUANS database with respect to company and business names and a search of the Onscope Canadian trade-mark database.

[23] Attached as Exhibit A to her affidavit is a printout of the preliminary search results of the NUANS database which located 128 names across Canada which have the words "direct insurance" as a part of a company or business name.

[24] Ms. Severson also conducted a search on the Onscope Canadian trade-mark database with respect to the word "direct" as part of a trade-mark, and with respect to "insurance" goods and services and selected only "active" trade-marks. The results of this search are attached to her affidavit as Exhibit C.

[25] Ms. Severson also conducted an online Google search with respect to the term "direct insurance Canada" which located about 220,000,000 results. She selected those web pages that appeared to be the most relevant and attached them as Exhibit D to her affidavit.

[26] Also as Exhibit D to her affidavit, Ms. Severson attaches print-outs from the web-site of The Canadian Association of Direct Response Insurers (*www.cadri.com*). On its web-site The Canadian Association of Direct Response Insurers (CADRI) states the following:

[CADRI] is a trade association representing insurance companies who offer automobile, home and commercial insurance products to Canadians on a direct basis

... CADRI members provide end-to-end services and are in direct relationships with their customers through all steps of the sales and service process.

Insurers who operate under the Direct Relationship Model market and distribute their products and services to their customers directly and provide advice through their own exclusive teams of licensed insurance professionals.

[27] Ms. Severson notes that the Opponent is listed as a member of CADRI.

[28] Her affidavit also attaches print-outs of various web-sites which reference Canada and where “direct” is used descriptively, for example *www.ibc.ca* (“How to Find a Broker, Agent or Direct Writer”) (Exhibit D).

Dale Affidavit

[29] The Applicant’s affiant, Ms. Dale, is the Vice President, General Manager of the Applicant. She states that the Applicant intends to offer distinctive insurance brokerage services in association with the Mark. In this regard, the Applicant is authorized and licensed by the Insurance Corporation of British Columbia (ICBC) to act as an insurance broker for ICBC’s basic and optional AutoPlan insurance and can deliver the necessary Decal, Certificate or license plate to a customer who purchases automobile insurance in the province of British Columbia (para 4).

[30] The Applicant is ICBC’s leading insurance broker in British Columbia and has been operating and selling insurance products, including automobile insurance, under the trade-name “AllWest Insurance Services” since 1986 (para 5). The Applicant spends in excess of \$500,000 per year on advertising its insurance brokerage services including print, media and cooperative

advertising under the trade-name AllWest Insurance Services in association with its insurance services, including selling automobile insurance in the province of British Columbia (para 9).

[31] Ms. Dale states that the Applicant started using the Mark in January 2013, in association with the delivery of automobile insurance services through personal consultation, agent mobile road service, phone and fax service, dealership assistance and web request (para 17). Proof that the basic insurance has been purchased is demonstrated, in part, by the issuance of an owner's certificate and the application of a decal to the license plate which will show the month and year the insurance was renewed (para 15). The Certificate and the renewal Decal are provided to the customer when the insurance is obtained or renewed. Attached as Exhibit A to Ms. Dale's affidavit is a sample copy of a Certificate and a Decal. Attached as Exhibit B to her affidavit is a copy of an insurance Certificate with the Mark stamped on it.

[32] Ms. Dale's evidence is that the Opponent is not licensed to sell ICBC's Basic Insurance or Optional Extended AutoPlan coverage. Therefore, Ms. Dale submits that the Opponent cannot deliver the necessary Decal, Certificate or a license plate to a customer who purchases automobile insurance in the province of British Columbia (paras 23 and 24).

[33] Ms. Dale further states that since the Applicant started using the Mark in British Columbia, there have been no incidents of actual confusion between the Mark and the Opponent's mark (para 25).

Grounds of Opposition Summarily Dismissed

Non-compliance – Section 30(i)

[34] The Opponent pleads that the Applicant could not have been satisfied that it was entitled to use the Mark in Canada because the Applicant should have been aware of the Opponent's trade-mark previously used in Canada in association with insurance services, among others.

[35] Section 30(i) of the Act merely requires that an applicant declare in its application that it is satisfied that it is entitled to registration of its trade-mark. Where an applicant has provided the requisite statement, a section 30(i) ground should only succeed in exceptional cases, such as where there is evidence of bad faith on the part of the applicant [*Sapodilla Co Ltd v Bristol-*

Myers Co (1974), 15 CPR (2d) 152 (TMOB) at 155]. Mere knowledge of the existence of an opponent's trade-mark does not in and of itself support an allegation that an applicant could not have been satisfied of its entitlement to use the mark [*Axa Assurances Inc v Charles Schwab & Co* (2005), 49 CPR (4th) 47 (TMOB) and *Woot, Inc v WootRestaurants Inc Les Restaurants Woot Inc* 2012 TMOB 197 (CanLII)].

[36] In the present case, the Applicant has provided the necessary statement and this is not an exceptional case. This ground is accordingly dismissed.

Remaining Grounds of Opposition

Non-entitlement – Section 16(3)(a)

[37] The Opponent has pleaded that the Applicant is not the person entitled to registration of the Mark because at the time of filing of the application the Mark was confusing with the Opponent's trade-mark INSURANCE DIRECT previously used and made known in Canada in association with the services set out in in the registration No. TMA486,446, including insurance services.

[38] In order to meet its evidentiary burden under this ground of opposition, the Opponent has to show that as of the Applicant's date of filing (i.e. May 27, 2011), the Opponent's trade-mark had been previously used or made known in Canada and had not been abandoned as of the date of advertisement of the Applicant's application in the *Trade-marks Journal* [section 16(5) of the Act].

[39] As per my review above of the relevant parts of the King affidavit, the Opponent has not shown use or making known of its mark prior to May 27, 2011. In my view Mr. King's affidavit only supports a finding that the Opponent's mark has been used in Canada in the manner described by him since April, 2012. As the Opponent has not met its burden, this ground is accordingly dismissed.

Non-registrability - Section 12(1)(d)

[40] The Opponent has pleaded that the Mark is not registrable pursuant to section 12(1)(d) of the Trade-marks Act in that it is confusing with the Opponent's registered trade-mark INSURANCE DIRECT, registration No. TMA 486,446, registered for use in association with the following services:

(1) Insurance services; and financial services; namely, planning, development, and implementation of personal financial policies, goals and objectives, procurement and management of personal assets, liabilities, income, expenditures, funds, property, securities, investment, insurances, estates, trusts, bequests, and taxation; automated communications services controlling and recording company client intercommunications by mail, telephone or personal visit.

[41] I have exercised my discretion and checked the register to confirm that this registration is extant. Therefore, the Opponent has met its initial burden with respect to this ground.

[42] The legal onus is on the Applicant to show that there would be no reasonable likelihood of confusion, within the meaning of section 6(2) of the Act. Section 6(2) does not concern the confusion of 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 there would be confusion of the Applicant's services provided under the Mark as emanating from or sponsored by or approved by the Opponent [*Glen-Warren Productions Ltd v Gertex Hosiery Ltd* (1990), 29 CPR (3d) 7 (FCTD) at 12].

[43] The test for confusion is one of first impression and imperfect recollection. 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 goods, 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.

[44] This list of enumerated factors is not exhaustive and it is not necessary to give each one of them equal weight [see, in general, *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th)

321 (SCC); and *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC)]. In *Masterpiece Inc v Alavida Lifestyles Inc et al* (2011), 92 CPR (4th) 361 (SCC) , the Supreme Court of Canada clearly indicated that the most important factor amongst those listed under section 6(5) of the Act is often the degree of resemblance between the marks.

section 6(5)(a) — inherent distinctiveness and the extent to which the marks have become known

[45] The Opponent submits that its mark is an unnatural or unique linguistic construction. In this regard, the Opponent submits that the mark INSURANCE DIRECT comprises a noun followed by an adjective which is the opposite of the ordinary English rule in which adjectives precede the nouns they modify. The Opponent notes that the searches conducted by Ms. Severson were only designed to locate use of the words “direct” and “insurance” in association with insurance services – not the combination “insurance direct” in that order.

[46] In my view, whether or not the Opponent’s mark is a unique linguistic construction, the fact remains that it is comprised of elements which are suggestive of insurance services offered directly to consumers in Canada. I therefore do not find that it has a high degree of inherent distinctiveness.

[47] The Mark, on the other hand, while also comprised of elements suggestive of insurance services offered directly to consumers in Canada, includes the coined word ALLWEST. In my view, this component gives the Mark a slightly higher degree of inherent distinctiveness than the Opponent’s mark [see also *Canadian Insurance Direct Inc.*, above].

[48] The strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use. I will therefore now consider the extent to which the trade-marks have become known in Canada.

[49] The Mark was applied for based on proposed use. As noted above, the Applicant started using the Mark in January 2013, in association with the delivery of automobile insurance services through personal consultation, agent mobile road service, phone and fax service, dealership assistance and web request. The Applicant has not, however, provided any sales figures or promotional expenses for services provided or offered in association with the Mark

since that time. It is therefore not possible to determine the extent the Mark has been used in Canada.

[50] The Opponent, on the other hand, has provided evidence that in 2013 its mark has been viewed by over 140,000 visitors to its customized website created for its Affinity Groups. Further, the Opponent's evidence is that in Canada in 2013 it earned over \$1.8 million in revenue from insurance services sold via its customized websites in association with its trade-mark. I am therefore satisfied that the Opponent's mark has become known to some extent in Canada.

[51] Overall, I find that this factor favours the Opponent.

Section 6(5)(b) — the length of time each has been in use

[52] Although the Opponent's registration is based on use of the mark in Canada since at least as early as November 1, 1994, the evidence supports a finding that the Opponent's INSURANCE DIRECT mark has been used in Canada in the manner described by Mr. King since April 2012. The Applicant, on the other hand, has used the Mark since January, 2013. I therefore find that this factor also favours the Opponent.

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

[53] It is the Applicant's statement of services as defined in its application versus the Opponent's registered services that govern my determination of this factor [*Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA); *Miss Universe Inc v Bohna* (1994), 58 CPR (3d) 381 (FCA)]. In the present case, the Applicant's services comprise insurance brokerage services for vehicle, marine, residential, business, extended health and dental and life insurance products while the Opponent's services include, among others, insurance services. The parties' services therefore overlap.

[54] The Applicant submits that the parties' services, while in the same class, are significantly different. In this regard, the Applicant submits that it is authorized and licensed by ICBC to act as an insurance broker for ICBC's basic and optional extended AutoPlan insurance and can deliver the necessary Decal, Certificate or license plate to a customer who purchases automobile

insurance in the province of British Columbia. As the Opponent is not licensed to sell ICBC's Basic Insurance or Optional Extended AutoPlan coverage, the Opponent cannot deliver the necessary Decal, Certificate or license plate to a customer who purchases automobile insurance in the province of British Columbia.

[55] The Applicant also points to the evidence that the average cost of annual Basic Insurance and Optional Extended AutoPlan insurance is typically in the range of \$1500 and \$2000 per year. The Applicant submits that when spending a great deal of money on a purchase the average hurried consumer will approach the decision to purchase insurance products with much greater care.

[56] While the evidence may show that there does not appear to have been any overlap of the parties' channels of trade to date, as pointed out by the Opponent's agent, neither of the parties' statement of services is restricted to any particular channel of trade. As the Supreme Court of Canada reminded us in *Masterpiece, supra*, the focus must be on the terms set out in the application for the Mark and on what the "the registration would authorize the [Applicant] to do, not what the [Applicant] happens to be doing at the moment." While the Applicant's current services with respect to vehicle insurance may be unique, the Applicant's applied for insurance brokerage services also include marine, residential, business, extended health and dental and life insurance products. Further, just because the Opponent may not presently be licensed to sell ICBC's Basic Insurance or Optional Extended AutoPlan insurance does not mean that the Opponent would not be able to do so in the future. I therefore find that the parties' channels of trade could overlap.

[57] As pointed out by the Opponent's agent, the Supreme Court also commented in *Masterpiece* on the issue of the sophisticated consumer. Justice Rothstein stated that the fact that goods are expensive is not a relevant factor and not something that should limit trade-mark protection. I agree. The test for confusion is one of first impression [*Polo Ralph Lauren Corp v United States Polo Assn* (2000), 9 CPR (4th) 51 (Fed CA)]. Any subsequent steps taken by sophisticated consumers in an attempt remedy any such first instance confusion are irrelevant [by analogy see paragraphs 68-74 of *Masterpiece, supra*].

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

[58] As for section 6(5)(e) of the Act, the Opponent submits that the marks of the parties clearly bear some similarity in appearance, sound and idea suggested in view of the fact that the Applicant's proposed mark includes the Opponent's mark INSURANCE DIRECT in its entirety [*Advance Magazine Publishers, Inc v Wise Gourmet Inc* (2009), 81 CPR (4th) 179 at 197 (FC); *Canadian Association of Blue Cross Plans v We Care Health Services Inc* (2004), 37 CPR (4th) 462 at 470]. The Opponent further submits that the mere addition of the Applicant's company name to the Opponent's mark is not enough to distinguish the Applicant's services from those of the Opponent.

[59] The Applicant, on the other hand, submits that the Court has held that the first component of a mark is considered the most important for the purpose of distinction [*Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD); *Park Avenue Furniture. supra*]. The Applicant further submits that the prefix of the Mark is the word ALLWEST which is a coined term and a trade-name used by the Applicant since approximately 1986. Given these facts, as well as the differences in appearance and sound suggested by ALLWEST INSURANCE DIRECT and INSURANCE DIRECT, the Applicant submits that the marks cannot be said to be similar when considered as a whole and as a matter of first impression. The Applicant also relied on the Opposition Board decision in *Canadian Insurance Direct* wherein there was no likelihood of confusion found between the Mark and the trade-mark CANADIAN DIRECT INSURANCE.

[60] In my view, the present case can be distinguished from the decision in *Canadian Direct Insurance* for three reasons. First, in that decision, the Board Member found that the trade-marks suggested different ideas. In this regard, the CANADIAN DIRECT INSURANCE mark was found to suggest insurance services offered directly to Canadians whereas the Mark was considered to suggest direct insurance services offered exclusively in the West. In the present case, both parties' marks suggest insurance services that are offered directly to consumers and the Opponent's mark contains no other element to distinguish it.

[61] Second, in the *Canadian Direct Insurance* case the opponent did not file any evidence and therefore did not establish any acquired distinctiveness of its mark. In the present case, the Opponent has shown enough evidence to establish that its mark INSURANCE DIRECT has become known to at least some extent in Canada.

[62] Finally, the marks at issue in the present case are different. In this regard, the Opponent's mark in the present case does not include the word CANADIAN, and the words DIRECT and INSURANCE are in reverse order, i.e. INSURANCE DIRECT. The Applicant in the present case has therefore adopted the Opponent's mark in its entirety and simply added part of its trade-name to it.

[63] In view of the above, I consider there to be a considerable degree of resemblance between the marks in appearance, sound and idea suggested.

Further surrounding circumstances

Third Party Use of DIRECT INSURANCE

[64] The Applicant alleges that third parties use the "direct" and "insurance" elements descriptively and in business names thereby decreasing any potential distinctiveness for the term.

[65] In support of this submission, the Applicant relies on exhibits to the Severson affidavit which outlines well over 20 trade-mark registrations which include "direct" as a dominant element and are used in association with insurance services. In addition, Ms. Severson's affidavit also attached print-outs of web-sites which reference Canada and where "direct" and "insurance" appear as part of the trade-mark or trade-name, examples of which are:

www.insurancedirectcanada; www.canadiandirect.com; www.plandirect.com; www.belairdirect.com and www.rvdirectinsurance.com.

[66] In response, the Opponent pointed out that the majority of the Applicant's evidence revealed the words "direct" and "insurance" used descriptively, but not the occurrence of the unique term "insurance direct" together in that order.

[67] I am not willing to rely on Ms. Severson's Internet evidence for the truth of its contents [*Candrug Health Solutions Inc v Thorkelson* (2007), 60 CPR (4th) 35 FC, reversed (2008), 64 CPR (4th) 431 (FCA)]. However, in view of the number of registered marks which contain the word "direct", it is clear that there is sufficient evidence to conclude that there has been common adoption and use of the term "direct" by others in the insurance industry, but not the term "insurance direct" as a whole. Thus, while I can conclude that consumers would be used to making relatively fine distinctions between trade-marks which include the word "direct", I cannot conclude the same with respect to the words "insurance direct".

Co-existence between the trade-marks

[68] As a surrounding circumstance, the Applicant has submitted evidence of co-existence between the Opponent's mark and the Mark in Canada. The Applicant points out its Mark and the Opponent's mark have co-existed in Canada without evidence of confusion since 2013.

[69] It is of course not necessary for the Opponent to evidence confusion in order for me to find that there is a likelihood of confusion but the absence of confusion despite the overlap of the services and channels of trade may result in a negative inference being drawn about the Opponent's case [*Monsport Inc v Vêtements de Sport Bonnie (1978) Ltée* (1988), 22 CPR (3d) 356 (Fed TD); *Mercedes-Benz AG v Autostock Inc* (1996), 69 CPR (3d) 518, (TMOB)]. In the present case, the relatively short period of co-existence between the marks, combined with the lack of evidence that the Mark has been used in Canada to any extent in association with the overlapping services, prevents me from drawing any negative inference.

Conclusion

[70] In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. Furthermore, I have considered that the onus is on the Applicant to show no reasonable likelihood of confusion.

[71] While I acknowledge that consumers may be accustomed to distinguishing between marks that include the component "direct" for similar services in the marketplace, in view that the Opponent's mark has acquired distinctiveness with respect to its services, the parties'

services and channels of trade overlap, and the Applicant has adopted the Opponent's mark in its entirety, I find that the balance of probabilities with respect to the issue of confusion weighs equally for both parties. As the legal onus is on the Applicant, I must decide against the Applicant and allow the ground of opposition based on section 12(1)(d).

Non- Distinctiveness – Section 2

[72] The Opponent has pleaded that the Mark is not distinctive and is not capable of distinguishing the Applicant's services from the services of the Opponent associated with the Opponent's INSURANCE DIRECT trade-mark.

[73] In order to meet its evidential burden with respect to this ground, the Opponent must show that as of the filing of the opposition (i.e. June 21, 2012) the Opponent's mark INSURANCE DIRECT had become known sufficiently to negate the distinctiveness of the Mark [*Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 at 58 (FCTD); *Re Andres Wines Ltd and E & J Gallo Winery* (1975), 25 CPR (2d) 126 at 130 (FCA); and *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 412 at 424 (FCA)]. Mr. King's evidence satisfies the Opponent's initial burden.

[74] For the most part, my conclusions above under the section 12(1)(d) ground also apply to this ground of opposition. This ground therefore also succeeds.

Disposition

[75] 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.

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