

TRADUCTION/TRANSLATION

**IN THE MATTER OF THE OPPOSITION
BY TBG The Bicycle Group Inc to
application for registration No. 1086191 for
the trade-mark EQUIPE CYCLISTE
RONA CYCLING TEAM and design filed
by Rona Inc.**

I Proceedings

Rona Inc. (the “Applicant”), on December 12, 2000, filed an application for the registration of the trade-mark ÉQUIPE CYCLISTE RONA CYCLING TEAM and design as illustrated below:



(the “Mark”) based on a proposed use in association with the following wares:

Promotional items distributed in stores or exterior sites, namely circulars, posters, buttons, pins, rulers, measuring tapes, pencils, pens, markers; clothing, namely sweaters, polo shirts, shirts, pants, jackets, waist-length jackets, coats, peak caps, aprons; (the “Wares”)

and the following services: Service related to the sponsorship of bicycle racers. (the “Services”)

The application for registration was published on October 2, 2002, in the *Trade-marks Journal*.

TBG The Bicycle Group Inc (the “Opponent”), on October 15, 2002, filed a statement of opposition raising the following grounds of opposition:

- (1) Contrary to the provisions of sections 38(2)(a) and 30(a) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the “Act”), the application for registration does not contain a

- statement in ordinary commercial terms of the wares and services with which the mark will be used;
- (2) Contrary to the provisions of sections 38(2)(a) and 30(b) of the Act, the Applicant, either itself or through a licensee, had no intention at the date of filing of the application, to use the Mark in Canada in association with the Wares and Services;
 - (3) Contrary to the provisions of sections 38(2)(b) and 12(1)(a) of the Act, the Mark is not registrable since the word RONA is primarily the surname of an individual who is living or has died within the preceding thirty years;
 - (4) Contrary to the provisions of sections 38(2)(b) and 12(1)(d) of the Act, the Mark is not registrable since it is confusing with the trade-mark of the Opponent KONA, certificate of registration number TMA370624, in association with bicycles;
 - (5) Contrary to the provisions of sections 38(2)(c) and 16(3)(a) and 16(5) of the Act, the Applicant is not the person entitled to the registration of the Mark since, at the date of filing of the application for registration, the Mark was confusing with the trade-mark KONA of the Opponent previously used in Canada in association with bicycles, cycling clothing, namely jerseys, pants, T-shirts, shorts, hats, caps, toques and gloves; back packs, shoulder bags, water carriers, travel bags; protective cycling padding; towels, beer cozies, beer glasses and pitchers; and the services of operation and management of a bicycle racing team; operation and management of bicycle racing events, and which had not been abandoned at the date of publication of the Applicant's application for registration;
 - (6) Contrary to the provisions of sections 38(2)(d) and 2 of the Act, the Mark is not distinctive because it does not distinguish or is not adapted to distinguish them from the wares or services of others and in particular bicycles, cycling clothing, namely jerseys, pants, T-shirts, shorts, hats, caps, toques and gloves; back packs, shoulder bags, water carriers, travel bags; protective cycling padding; towels, beer cozies, beer glasses and pitchers; and the services of operation and management of a bicycle racing team; operation and management of bicycle racing events sold or offered by the Opponent in association with the trade-mark KONA;
 - (7) Contrary to the provisions of sections 38(2)(d) and 2 of the Act, the Mark has not been used by the Applicant to distinguish the Wares and Services from the wares and services of others on the market.

On June 12, 2003, the Applicant filed a counter statement of opposition essentially denying the grounds of objection described above.

The Opponent filed the affidavit of Mr. Jacob Heilbron, while the Applicant has filed the affidavit of Mr. Micheal Brossard. The Opponent did not produced any evidence in reply in the record. Each of the parties filed written submissions and was represented at the hearing.

II Opponent's evidence

Mr. Heilbron has been the Opponent's chairman of the board of directors and one of its founders. He filed a copy of registration certificate TMA370624 for the KONA trade-mark in association with bicycles, cycling clothing, namely jerseys, pants, T-shirts, shorts, hats, caps, toques and gloves; back packs, shoulder bags, water carriers, travel bags; protective cycling padding; towels, beer cozies, beer glasses and pitchers; and the services of operation and management of a bicycle racing team; operation and management of bicycle racing events. The Opponent was incorporated in December 1987 and in August 1988 began to use in Canada of the trade-mark KONA in association with its bicycles. The annual sales of bicycles bearing the trade-mark KONA in Canada in the years 1999 to 2003 are in excess of \$10 million. These bicycles are sold in more than 40 countries around the world. They are sold to stores specializing in the sale of bicycles and accessories, which in turn resell them to consumers. These stores promote bicycles bearing the trade-mark KONA particularly in telephone directories.

The Opponent also promotes bicycles bearing the trade-mark KONA through the distribution of catalogues and through its Web site. A sample of the catalogue for 2003 and an extract from the Web site were filed in support of its affidavit. However, we have no information as to how the catalogues are distributed or the number of persons who have visited the Opponent's Web site.

One of the methods used by the Opponent to promote the sale of its bicycles in association with the trade-mark KONA is the endorsement and organization of mountain bicycle races using its own mountain bike and cyclo-cross racing team. Mr. Heilbron lists 35 races held in Canada and the United States in 2003 sponsored in part by the Opponent. It should be noted that the cycling team sponsored by the Opponent bore the name KONA FACTORY TEAM for the period from 1989 to 2000. Since 2000, the same cycling team has been co-sponsored by the Opponent and a manufacturer of bicycle components by the name of Clarks. So the team is now referred to as the KONA-CLARKS FACTORY TEAM. Some extracts from the Opponent's Web site concerning the sponsorship of this team were filed in the record. The following illustration appears on one of these pages:

The Opponent also sponsors a cyclo-cross team but we do not know how long it has been doing so. A news release taken from a Web site was filed. It reports a series of races, some of them apparently held in Canada, but without specifying the locations of these competitions. This release refers to the 2000-2001 season without a specific date. The affiant also filed some extracts from the Opponent's Web site dealing with the activities of the sponsored team during the 2003 season. All of the extracts refer to KONA-CLARKS FACTORY TEAM or KONA-CLARKS TEAM. Between 2000 and 2003, the Opponent spent close to \$1.5 million in Canada on the promotion of its products bearing the trade-mark KONA.

The Opponent also sells bicycle clothing and accessories under the trade-mark KONA. These sales may be made by catalogue or via the Opponent's Web site. Some extracts from the Web site, which contains photographs of these wares, were also filed in the record. The affiant explains that these commodities are also sold by authorized dealers of the Opponent. These sales amount to more than \$500,000 per year over the last five years. The 2003 and 2004 catalogues were filed. They cover bicycles, cycling clothing, namely jerseys, pants, T-shirts, shorts, hats, caps, helmets, toques and gloves; back packs, shoulder bags, water carriers, travel bags; protective cycling padding; towels, beer cozies, beer glasses and pitchers. Some invoices, the oldest ones going back to October 1990, were filed to demonstrate the sale of sweaters and water bottles bearing the KONA trade-mark. The affiant alleges that the sale of the other bicycle accessories bearing the KONA trade-mark in Canada began in 2000 and some invoices proving this fact are in the file.

The affiant filed some extracts from Web sites, without providing the details concerning their origin, containing articles on and photos of the RONA cycling team. The Mark does not appear on any of these photos except possibly on a helmet worn by a racing cyclist but the photo is not sufficiently clear to conclude that we are perceiving the Mark. Finally, he filed a photo published in the June 30, 2003 edition of the Globe & Mail newspaper, of a racing cyclist wearing a jersey

on which the RONA trade-mark appears. He alleges that the RONA cycling team jerseys are similar to the KONA cycling team jerseys. I will not adopt this comment, which is irrelevant in the context of this opposition to the registration of the Mark. In fact, the Mark, as illustrated above, does not appear on this RONA cycling team jersey.

III Applicant's evidence

The Applicant filed the affidavit of Mr. Micheal Brossard, the Applicant's chief national marketing director. He explains that the Applicant manages and directs an assortment of products and services distribution purchases for independent merchants. These merchants supplied by the Applicant operate a store under one or another of the following trade-marks: RONA L'entrepôt, RONA le Régional, RONA le Rénovateur, RONA le Quincaillier, RONA l'Express, RONA l'Express Matériaux, RONA Hardware, RONA Home Centre, RONA Cashway, RONA Home and Garden, RONA Lancing and RONA Building Center. There are more than 540 stores in Canada, with a total floor space of more than 12-million square feet and annual retail sales in excess of \$3.7 billion. The independent merchants operate these stores under licence for the use of one of the RONA trade-marks cited above, in association with the operation of home renovation and/or building materials centres, a hardware, a garden centre or nursery with horticultural products. These services have been provided under the RONA or RO-NA trade-mark since 1960. The Applicant, he says, has become the largest distributor of hardware, home renovation and gardening products in Canada.

He alleges that the Applicant is the owner of a family of RONA trade-marks and he filed a computerized statement of many of the RONA registered trade-marks for services in the area of renovation, hardware and gardening, but without providing evidence of use of any of these trade-marks. The affiant alleges that the Applicant does not specialize at all in cycling. Nor does it sell bicycles in association with the Mark or the trade-mark RONA.

On August 22, 2000, the Applicant announced that it was sponsoring the cyclist Geneviève Jeanson. Subsequently, on November 2, 2000, it announced the creation of the RONA CYCLING TEAM group and Mr. Brossard filed an extract from the Radio-Canada Web site

concerning this announcement. On March 13, 2001, a group of cyclists racing under the ÉQUIPE CYCLISTE RONA CYCLING TEAM banner participated in its first race in the state of California.

On May 30, 2002, the Applicant announced the launch of a range of official products bearing the Mark, namely official team jerseys and racing shorts, t-shirts, cotton fleeces, polar sweaters, helmets, hats, bicycle water bottles, pins, key chains and official team posters, all bearing the Mark. The sales of these wares during 2002 totalled \$14,150 and about \$5,000 for 2003. Some sample invoices showing the sale of these wares were filed in the record. Various promotional materials used in 2001, 2002 and 2004 in relation to the Wares and Services associated with the Mark were likewise filed.

Since 2000, the Applicant has spent \$1.6 million on the sponsorship of the activities of the RONA CYCLING TEAM. The Applicant seeks to associate this sponsorship with its RONA trade-mark, recognized in Canada in association with its services of the sale of construction, renovation and gardening materials. That is how it has sponsored other sports events or clubs over the years.

He alleges that the Applicant's RONA trade-marks are well known to the public and that there is no likelihood of confusion between KONA and the Mark. I will take no account of this allegation, since it is a legal opinion on one of the questions I have to decide.

VI Points at issue

I propose to answer each of the questions raised by the Opponent in its written argument while bearing in mind the grounds of opposition pleaded and described above. The Opponent raises the following points:

- (1) Does the use of a company's trade-mark in a sponsorship of a sports team in order to promote the corporate entity constitute a use of the trade-mark in association with sponsorship services?
- (2) If so, has the Applicant complied with the provisions of section 30(e) in sponsoring a sports team prior to the date of filing of its application for registration based on a proposed use?

- (3) Does the use of a company's trade-mark on some products in a sponsorship of a sports team for the purpose of promoting the trade-mark of the corporate entity constitute a use of the trade-mark in association with these wares?
- (4) Has the Applicant proved that there is no reasonable risk of confusion between the Mark and the Opponent's KONA trade-mark?

V Applicable law

In opposition proceedings to the registration of a trade-mark, the Opponent must present sufficient evidence concerning the grounds of opposition it raises that it is apparent there are facts that can support these grounds of opposition. If the Opponent meets this requirement, the Applicant will have to persuade the Registrar, on a balance of probabilities, that the grounds of opposition should not preclude the registration of the Mark. [See *Sunshine Biscuits Inc. v. Corporate Foods Ltd.* (1982), 61 C.P.R. (2d) 53, *Joseph Seagram & Sons Ltd. v. Seagram Real Estate Ltd.* (1984), 3 C.P.R. (3d) 325 and *John Labatt Ltd. v. Molson Companies Limited*, (1990), 30 C.P.R. (3d) 293]

The relevant date for analyzing the various grounds of opposition varies according to the ground of opposition that is raised. The first two grounds of opposition based on section 30 of the Act must be analyzed as of the date of filing of the application. [See *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (TMOB) and *Dic Dac Holdings (Canada) Ltd v. Yao Tsai Co.* (1999), 1 C.P.R. (4th) 263]. The third ground of opposition must be decided as of the date of filing of the application. [See s. 12(2) of the Act and *In the matter of the Opposition of Waterford Wedgwood PLC* to application for registration no. 1013012, an unreported decision dated January 9, 2006]. The relevant date for deciding the issue of the registrability of the Mark (section 12(1)(d) of the Act) is that of the Registrar's decision. [See *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 424 (F.C.A.)]. The fifth ground of opposition (the Applicant not being entitled to registration) must be assessed as of the date of filing of the application for registration (section 16(3) of the Act). Finally, the last two grounds of opposition (lack of distinctiveness of the Mark) must be analyzed as of the date of filing of the statement of opposition. [See *Andres Wines Ltd. and E&J Gallo Winery* (1975), 25 C.P.R. (2d) 126 (F.C.A.) at page 130, *Park Avenue Furniture*, op. cit., and *Metro-Goldwyn-Meyer Inc v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317]

The Opponent indicated in its written submissions that it was withdrawing its third ground of opposition.

I will begin by analyzing the first ground of opposition raised by the Opponent. It contends that the Services are not described specifically, in that they do not specify the activities encompassed by the term “sponsor”. I refer to the decision in *Everything for a Dollar Store v. Dollar Plus Bargain* (1998), 86 C.P.R. (3d) 269 (T.M.O.B.), where the Registrar stated:

While a statement of services may be more difficult to define in terms of the specific services as contrasted to a statement of wares, Subsection 30(a) of the *Trade-marks Act* does require a measure of specificity in respect of the services covered in a trade-mark application where it is reasonable to expect that a specific statement of services in ordinary commercial terms can be provided by an applicant.

The terms “*sponsor*” and “*sponsoriser*” are defined in *Le Petit Robert* dictionary as follows:

sponsor : personne, organisme qui soutient financièrement une entreprise à des fins publicitaires
sponsoriser : Financer à des fins publicitaires (une entreprise, un sport)

The description of the services or wares associated with a trade-mark serves to demark the range of activities related to that trade-mark. An overly broad term will not comply with the criteria in section 30(a) of the Act. It is always harder to describe services, but in the present case I conclude that the term “sponsor” is adequate, in view of its definition. The Applicant need not describe all of the activities in support of racing cyclists that it supports financially.

The Opponent also argues that the services of “sponsorship of bicycle racers” are not services within the meaning of section 4 of the Act, since they are activities to promote its services of sale of building materials, hardware, renovation and gardening equipment. In support of its submissions, it refers to *Carling O’Keefe Breweries v. Anheuser-Bush, Inc.* (1985), 4 C.P.R. (3d) 216. In that decision, the Registrar expresses the following opinion:

4. The applicant submitted that the opponent’s first ground of opposition should be rejected initially on the basis that the services in association with which the opponent

has alleged that it has used its CARLSBERG TEAM AND WAGON mark, i.e., “the services of promoting the sale of the opponent’s Carlsberg beer in Canada”, are not services within the meaning of s. 4 of the *Trade Marks Act* and that therefore whatever use has been made by the opponent of its mark in association with such services is not use within the meaning of s. 4 of the Act and cannot form the basis of a ground of opposition pursuant to s. 16(3)(a) of the *Trade Marks Act*. I agree with this submission. In my view, the opponent’s promotion of the sale of its Carlsberg beer should be regarded as merely being part of the sale of its beer.

5. In order for an activity to be considered as a service, it would seem logical that there must be some members of the public, some consumers or purchasers, who receive a benefit from the existence of that activity. With respect to the opponent’s promotion of the sale of its Carlsberg beer, the only one who could reasonably be said to have received a benefit is the opponent itself. The opponent’s agent submitted that because the opponent promotes its beer by displaying its team of horses (known as the Carlsberg Championship Team or the Carlsberg Team and Wagon), a benefit is provided to the public. Such displays may well provide a benefit to the public; however, even if this is so it would only in my view establish use of the opponent’s mark in association with the service of displaying its team of horses and not in association with the service of promotion of its Carlsberg beer.

Since sponsoring is a financial assistance service for promotional purposes, it is normal that the sponsor, in our case the Applicant, derives some visibility from it. The consumer of this service, the racing cyclist(s), will receive this financial assistance in return for their performance during the race and the general public will benefit from this service for it will attend a sports event (a race). The fact that the Applicant derives a certain benefit, the promotion of its business, has no effect on the actual nature of the Services for which the application for registration was filed.

Finally, the Opponent alleges that the evidence shows that the Applicant has used the Mark in association with the Services prior to the date of filing of this application for registration. But the language of the ground of opposition based on section 30(b) of the Act does not refer to an alleged use of the Mark prior to the date of filing of the application for registration. Since this ground of opposition was not raised in the Opponent’s statement of opposition, I must reject this argument. Notwithstanding the foregoing, the Opponent bases its arguments on the newspaper article published on December 8, 2000, and the content of the Radio-Canada Web site dated December 7, 2000 (exhibit MB-4 and the affidavit of Mr. Brossard), which reports the composition of the Applicant’s cycling team. However, the Mark, as illustrated above, does not appear anywhere in these articles or in the photos.

Despite the able presentation by the Opponent on this first ground of opposition, I must reject it.

The Opponent argues in support of its second ground of opposition that the Applicant has no intention of using the Mark in association with the Wares to identify the source of these wares, but instead intends to use it to promote its retail sales and distribution services. Neither of these ultimate purposes necessarily conflicts with the other. There may be some complementarity between these objectives. The description of the Wares is specific: “Promotional items...” It is self-evident, therefore, that the Applicant wants to use the sale of the Wares to promote its business activities.

The gratuitous delivery of promotional items could be problematic in respect of the use of the Mark within the meaning of section 4 of the Act in association with these products. However, the application is based on a proposed use and it would be premature to decide this question since the relevant date under section 30 of the Act is the date of filing of the application. In any event, the Applicant has provided some sales figures for the Wares, which demonstrates that there was a transfer of ownership of these products in return for compensation. For all of these reasons, I reject the second ground of opposition as well.

The reasons described previously for rejecting the second ground of opposition apply as well to dispose of the final ground of opposition as worded, in favour of the Applicant. There remain only the fourth, fifth and sixth grounds of opposition, which are closely linked to the concept of confusion as it is described in section 6 of the Act, which reads as follows:

6. (1) For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark or trade-name if the use of the first mentioned trade-mark or trade-name would cause confusion with the last mentioned trade-mark or trade-name in the manner and circumstances described in this section.

(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, sold, leased, hired or performed by the same

person, whether or not the wares or services are of the same general class.

(3) The use of a trade-mark causes confusion with a trade-name if the use of both the trade-mark and trade-name in the same area would be likely to lead to the inference that the wares or services associated with the trade-mark and those associated with the business carried on under the trade-name are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

(4) The use of a trade-name causes confusion with a trade-mark if the use of both the trade-name and trade-mark in the same area would be likely to lead to the inference that the wares or services associated with the business carried on under the trade-name and those associated with the trade-mark are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;

(b) the length of time the trade-marks or trade-names have 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 or trade-names in appearance or sound or in the ideas suggested by them.

The law is clear that the circumstances listed above are not exhaustive and that it not necessary to assign equal weight to each of these criteria [see, for example, *Clorox Co. v. Sears Canada Inc.* (1992), 41 C.P.R.(3d) 483 (F.C.T.D.), *Gainers Inc. v. Marchildon* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.) and *Mattel Inc. v. 3894207 Canada Inc.*, 2006 SCC 22 at para. 54].

The evidence filed in the record by the Opponent and described above amply satisfies its initial burden of proof. The Applicant is therefore obliged to demonstrate, on a balance of probabilities, that there is no risk of confusion between the Mark and the KONA mark of the Opponent. I will proceed, first, to the analysis of the fourth ground of opposition (section 12(1)(d) of the Act).

- The distinctiveness of the trade-marks and the extent to which they have become known

The Opponent's registered trade-mark KONA has greater inherent distinctiveness than that of the Mark owing to the use in the latter case of the words "équipe cycliste" and "cycling team" which are descriptive of the nature or quality of the Wares and Services. Moreover, they have been the subject of a desistement apart from the Mark as a whole. KONA has no meaning related to cycling.

The Opponent's registered trade-mark is for the word mark KONA. And the evidence discloses the use of the trade-mark KONA and design as illustrated below:

This use doubtless constitutes the use of the Opponent's registered trade-mark KONA, pursuant to the principles laid down in *Nightingale Interloc Ltd. v. Prodesign Ltd.* (1984), 2 C.P.R. (3d) 535 and *Registrar of Trade Marks v. Compagnie L'informatique CII Honeywell Bull, Société Anonyme et al.* (1985), 4 C.P.R. (3d) 523. The Opponent has proved the use of its trade-mark KONA, since 1989 at least, in association with bicycles, since October 1989 in association with sweaters and water-bottles and since February 2000 (see invoices exhibit K to the affidavit of Mr. Heilbron) in association with cycling-related accessories.

There is also evidence in the record of use of this trade-mark since 1989 in association with the operation and management of a team of cyclists participating in races; and, since 2003 at least, in association with the operation and management of events related to cycle races. The Opponent's

sales figures and the evidence placed in the file as a whole would indicate that the Opponent's KONA mark is better known than the Mark in association with the Wares and Services; the Applicant has proved only some very modest sales in 2002 and 2003. So this factor favours the Opponent.

- The length of time the trade-marks or trade-names have been in use

For the reasons expressed under the preceding heading this factor also favours the Opponent.

- The nature of the wares and services and the nature of the trade

There is an overlap between some of the Wares listed in this application for registration and the wares covered by the Opponent's certificate of registration TMA370624, namely clothing. The Applicant mentioned in the statement of the wares or services that the promotional items would be sold in stores or on outdoor sites. However, there is no restriction on the Applicant selling its wares in stores other than those it operates. Furthermore, there is a certain relationship between the sponsoring of racing cyclists and the services of operating and managing a team of cyclists participating in races. It is not far-fetched to imagine the presence in the same race of racers financially supported by the Applicant with bibs bearing the Mark and race participants from the team managed by the Opponent bearing bibs with the KONA trade-mark. This factor also favours the Opponent.

- The degree of resemblance between the trade-marks of the opposing parties

The degree of resemblance between the marks in question has often been considered one of the most important factors to consider in analyzing the risk of possible confusion between two trade-marks. [See *Beverly Bedding & Upholstery Co. v. Regal Bedding & Upholstery Ltd.* (1980), 47 C.P.R. (2d) 145, aff'd. 60 C.P.R. (2d) 70].

The marks must be considered as a whole and not compared in each of their features. [See *Molson Companies Ltd. v. John Labatt Ltd.* (1994), 58 C.P.R. (3d) 527 (FCA)].

It is true that the Mark contains some graphical content but still the dominant factor of the Mark is the word RONA. In fact, the other terms are descriptive. There is some phonetic resemblance between the Mark and the KONA trade-mark. Although the first portion of the Mark is different from the Opponent's trade-mark, the fact is that visually the word RONA stands out from the Mark as a whole. Also, the letters K and R resemble each other visually.

➤ Other factors to consider

The Applicant argues that owing to the notoriety of its RONA trade-mark in the field of operation of renovation and/or building materials centres, a hardware, garden centre or nursery with horticultural products, there could not be any confusion in the mind of a consumer concerning the source of the Services and Wares. It is necessary to place oneself in the position of an average consumer with a vague recollection of the Opponent's trade-mark in association with the same type of wares and services as those covered by this application. For example, will this consumer who has a vague recollection of the KONA trade-mark in association with a cycling sweater or in association with a cycling team be inclined to think that a cycling sweater bearing the Mark or a cycling team racing under the Mark have the same source? I allot very little importance to the fact that the RONA mark would be known in the quite different area of construction or renovation. Even if I were to find that the RONA mark is a known trade-mark, I am led by the rulings of the Supreme Court in *Mattel*, op. cit., to consider all of the relevant factors. The proposal by the Applicant to assign greater weight to the fact it is known in the field of construction and renovation, although *prima facie* attractive, cannot offset the other factors as a whole, all of them in favour of the Opponent.

I conclude that the Applicant has not discharged its burden to prove, on a balance of probabilities, that there is no risk of confusion between the Mark and the Opponent's trade-mark KONA when used in association with the Wares and Services. I base my conclusion on the fact that the KONA trade-mark is inherently more distinctive than the Mark, is better known than the Mark in relation to the Wares and Services, has been in use longer than the Mark in association with the Wares and Services, that the Wares and Services are similar to those covered by

registration certificate LMC370624 and that there is a resemblance between the marks in question. In the circumstances, I maintain the fourth ground of opposition.

As to the fifth ground of opposition (section 16(3) of the Act), the record discloses the use of the KONA trade-mark by the Opponent in association with bicycles, sweaters and water bottles since 1989 and in association with cycling accessories since February 2000, and that it had not abandoned this use at the date of publication of the present application for registration (section 16(5) of the Act). The Opponent has accordingly discharged its initial burden of proof and the same conclusions concerning the risk of confusion described in the analysis of the fourth ground of opposition apply in relation to the Wares. However, the evidence discloses the previous use of the trade-marks KONA FACTORY TEAM and KONA-CLARKS FACTORY TEAM instead of the KONA mark in association with the sponsorship of a cycling team. So overall, the Mark differs both visually and phonetically from those trade-marks. This difference means that there would be no likelihood of confusion between these trade-marks and the Mark in association with the Services. I therefore allow the fifth ground of opposition only for the Wares.

My conclusion concerning the sixth ground of opposition (lack of distinctiveness of the Mark) would be the same as for the preceding ground since the difference between the relevant dates would have no impact on the admissible evidence. I therefore allow this ground as well only for the Wares.

VI Conclusion

By virtue of the powers delegated to me by the Registrar of Trade-marks under section 63(3) of the Act, I reject the Applicant's application for registration for the Mark in association with the Wares and Services, the whole in accordance with the provisions of section 38(8) of the Act.

DATED AT MONTRÉAL, QUEBEC, AUGUST 23, 2006.

Jean Carrière

Member, Trade Marks Opposition Board