

IN THE MATTER OF AN OPPOSITION by Canadian Automobile Association to application No. 557,027 for the trade-mark CAA filed by Olde & Co., Incorporated, and presently standing in the name of Olde Discount Corporation

On February 7, 1986, the applicant, Olde & Co., Incorporated, filed an application to register the trade-mark CAA based upon use and registration of the trade-mark in the United States of America in association with "stock and/or bond brokerage house financial services namely low-interest loans to customers from their brokerage equity accounts". The application was also based upon proposed use of the trade-mark in Canada in association with "stock and/or bond brokerage house financial services namely loans to customers of financial institutions from brokerage equity accounts and the balance of the loans provided by other financial institutions". During the prosecution of its trade-mark application, the applicant filed evidence of a change in name to Olde Discount Corporation.

The opponent, Canadian Automobile Association, filed a statement of opposition on January 12, 1988 in which it alleged that the applicant's trade-mark CAA is not registrable and not distinctive, and that the applicant is not the person entitled to its registration, in view of the registration by the opponent and prior use by licensees of the opponent in Canada of the registered certification marks for the letters CAA or including the letters CAA covered by registration numbers: 328,201; 334,344; 303,024; 254,174 and 303,026.

The applicant served and filed a counterstatement in which it admitted that the opponent was, as of the date of opposition, the registered owner of the certification marks identified in the statement of opposition, but denied the remaining allegations set forth in the statement of opposition.

The opponent filed as its evidence the affidavit of Donald G. Atkinson who was cross-examined on his affidavit, the transcript of the cross-examination and the exhibits to the cross-examination, as well as the responses to undertakings furnished by the opponent, form part of the record in this opposition. The applicant filed the affidavits of Wendy Morton, Karen Hansen and Jennifer Leah Stecyk. As evidence in reply, the opponent submitted the affidavit of Michael McNeil.

Both the applicant and the opponent filed written arguments and both were represented at an oral hearing.

The issues in this opposition are based on the allegations of confusion between the applicant's trade-mark CAA and one, or more, of the opponent's registered certification marks CAA, CAA

PLUS and CAA & Design. In determining whether there would be a reasonable likelihood of confusion between the trade-marks at issue, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in Section 6(5) of the Trade-marks Act. Further, the Registrar must bear in mind that the legal burden is on the applicant to establish that there would be no reasonable likelihood of confusion between the trade-marks at issue. With respect to the ground of opposition based on Section 12(1)(d) of the Trade-marks Act, the material date is as of the date of my decision (see Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks, F.C.A. No. A-263-89, dated June 24, 1991, yet unreported).

With respect to the inherent distinctiveness of the trade-marks at issue, neither the applicant's mark CAA nor the opponent's certification marks CAA and CAA & Design possess much inherent distinctiveness in that they comprise or include initials or letters which add little inherent distinctiveness to a trade-mark.

The extent to which the trade-marks have become known in Canada strongly favours the opponent in this opposition in that the Atkinson affidavit establishes that, as of July of 1988, the opponent had 2,700,000 members throughout Canada. Based on this evidence, I am prepared to infer that the opponent's certification marks CAA and CAA & Design have become relatively well known in this country in association with the operation of an automobile club. While I agree with the applicant's submission that a majority of the use by licensees of the certification marks of the opponent is use of the CAA & Design mark, it is arguable that the public, as a matter of first impression, would perceive the design mark as also constituting use of the certification mark CAA. The applicant, on the other hand, failed to file any evidence from which it could be inferred that its trade-mark had become known to any extent in Canada. Likewise, the length of time that the opponent's certification marks have been used in Canada favours the opponent in this opposition.

As for the nature of the services of the parties and their respective channels of trade, the applicant's trade-mark application covers stock and/or bond brokerage house financial services namely low-interest loans to customers from their brokerage equity accounts. I am uncertain as to the exact nature of the applicant's services and am equally uncertain as to how the average person would interpret this description of services. Further, the applicant has not filed any evidence which would assist me in this regard. However, based on the statement of services, it would appear that the applicant is giving loans to customers of financial institutions where the customers have bonds or stocks which can be used as security for the loans. These services differ considerably from the opponent's hotel, motel and restaurant services or its emergency road and towing services. On the

other hand, two of the opponent's registrations (registration Nos. 328,201 and 334,344) cover "financial services" while registration Nos. 303,024 and 254,174 cover the provision of traveller's cheques and currency exchange.

With respect to the two registrations covering "financial services", the applicant submitted that financial services are a broad category of services and that the opponent should, in view of the decision in Endo Laboratories Inc. v. Dow Chemical Co., 8 C.P.R. (2d) 149, be limited to the specific financial services being offering by licensees of the opponent in association with the certification marks CAA and CAA & Design. In the Endo Laboratories case, Noel, A.C.J. commented as follows at pages 153 to 154 with respect to the likelihood of confusion between the trade-mark DILONE as applied to an analgesic preparation and the registered trade-mark DYCLONE covering pharmaceutical preparations:

I agree with the applicant that "financial services" appears to me to be overly broad in scope. However, I have my doubts as to whether the Registrar in opposition proceedings can limit the scope of protection accorded a registered trade-mark on the basis that the wares or services covered by the registration is too broad and may therefore not be in compliance with section 30(a) of the Trade-marks Act. In particular, the comments of Noel, A.C.J. in the Endo Laboratories case noted above appear to be in conflict with more recent decisions of the Federal Court which have held that it is the wares or services covered in a registration, as opposed to the actual manner of use by a registrant, which is relevant to the issue of confusion between an applicant's trade-mark and an opponent's registered trade-mark (see, for example, Mr. Submarine Ltd. v. Amandista Investments Ltd., 19 C.P.R. (3d) 3, at pp. 10-12 (F.C.A.)). Likewise, the Registrar cannot take into consideration the fact that an applicant may only be selling its wares through a particular type of retail outlet or providing its services through a particular channel of trade when considering the issue of confusion (see Henkel Kommanditgesellschaft Auf Aktien v. Super Dragon Import Export Inc., 2 C.P.R. (3d) 361, at pg. 372 (F.C.T.D.), 12 C.P.R. (3d) 110, at pg. 112 (F.C.A.)).

Following the reasoning in the Mr. Submarine decision, I must consider the likelihood of confusion between the applicant's trade-mark CAA as applied to the services covered in its application and the opponent's registered certification marks CAA and CAA & Design, registration Nos. 328,201 and 334,344 respectively, both covering "financial services". In this regard, the applicant's brokerage house financial services fall within the scope of the financial services covered by the opponent's registrations. As a result, there could be a potential overlapping of the channels of trade associated with these services.

As to the degree of resemblance between the trade-marks at issue, the applicant's trade-mark CAA is identical to the opponent's registered CAA certification marks and is quite similar in appearance and identical in sounding to the opponent's CAA & Design certification marks.

The applicant made a number of submissions relating to the use of the opponent's certification marks insofar as the financial services and traveller's cheque services being proper services as contemplated by section 4(2) of the Trade-marks Act. Additionally, the applicant questioned whether the opponent's marks were, in fact, functioning as certification marks, particularly in relation to the financial services and services relating to the provision of traveller's cheques. However, a number of these submissions relate to the validity of the opponent's registrations and therefore are irrelevant to these proceedings (see Sunshine Biscuits, Inc. v. Corporate Foods Ltd., 61 C.P.R. (2d) 53, at pg. 62). In any event, I consider that the financial

services (see paragraph 7(c) of the Atkinson affidavit) offered by licensees of the opponent are "services" within the scope of section 4(2) of the Act even though the services are only offered to members of Member Clubs of the Canadian Automobile Association. Further, the opponent has set at least minimal defined standards with respect to its financial services relating to emergency personal cheque cashing privileges for members of certain licensees of the opponent. As well, the form of License Agreement set out in exhibit "E" to Atkinson contemplates standards relating to quality and service in the business and operations of the opponent's licensees which would also relate to the standards in respect of the financial services and the services relating to the provision of traveller's cheques covered in the opponent's registrations.

As a further surrounding circumstance, the applicant sought to evidence use of third party trade-marks or trade-names including the letters CAA. However, apart from use by licensees of the opponent, the applicant's evidence points to little, if any, third party use of the CAA mark in association with services which appear to be related even indirectly to financial services.

In view of the above, I have concluded that the applicant has failed to discharge the burden upon it in respect of the opponent's allegation of confusion between the applicant's mark and the opponent's registered certification marks CAA and CAA & Design. Accordingly, the applicant's trade-mark is not registrable in view of the provisions of section 12(1)(d) of the Trade-marks Act. As a result, I refuse the applicant's application pursuant to section 38(8) of the Act.

DATED AT HULL, QUEBEC THIS 30th DAY OF September, 1991.

G.W.Partington,  
Chairman,  
Trade Marks Opposition Board.