

**IN THE MATTER OF AN OPPOSITION
by Home Hardware Stores Limited to application No.
1,064,654 for the trade-mark «ARGENT» CANADIAN
TIRE filed by Canadian Tire Corporation, Limited**

On June 23, 2000, the applicant, Canadian Tire Corporation, Limited, filed an application to register the trade-mark «ARGENT» CANADIAN TIRE based on use in Canada since March 1, 1995 for the following service:

a program for the giving of cash bonuses to retail customers through the issuance and redemption of cash bonus coupons.

The application as filed included a disclaimer to the words ARGENT and CANADIAN. The application was advertised for opposition purposes on December 5, 2001.

The opponent, Home Hardware Stores Limited, filed a statement of opposition on May 6, 2002, a copy of which was forwarded to the applicant on July 16, 2002. The grounds of opposition reproduced from the statement of opposition read as follows:

Section 38(2)(a) and Section 30(a)

(a) The application does not conform with the requirements of subsection 30(a) of the Act. More specifically, the application does not contain a statement in ordinary commercial terms of the specific wares or services in association with which the mark has been used.

Section 38(2)(a) and Section 30(b)

(b) The application does not conform with the requirements of subsection 30(b) of the Act. More specifically, the trade-mark has not been used in association with each of the general classes of services described in the application since the date claimed in the application.

Section 38(2)(a) and Section 30(i)

(c) The application does not conform with the requirements of subsection 30(i) of the Act. More specifically, the Applicant could not have been satisfied that it was, or is entitled to use the Mark in association with the services set out in the

application, because the Applicant must have known that its trade-mark:

- i) is clearly descriptive or deceptively misdescriptive of the character or quality of the services in association within it is alleged to be used; and
- ii) is not distinctive in that it does not, and cannot distinguish the services in association with which it is alleged to be used from the wares or services of others nor is it adapted to distinguish them.

Section 38(2)(b) and Section 12(1)(b)

(d) The trade-mark claimed in the subject application is not registrable. The trade-mark «ARGENT» CANADIAN TIRE is not registrable in that it is clearly descriptive or deceptively misdescriptive of the character or quality of the services in association with which it is alleged to be used.

Section 38 (2)(b), Section 12(1)(e) and Section 10

(e) Subsection 12(1)(e) of the Act prohibits the registration, inter alia, of a mark the adoption of which is prohibited by Section 10 of the Act. The Mark is not registrable in that it is a mark the adoption of which is prohibited by Section 10 of the Act. Without limiting the generality of the foregoing, the words 'ARGENT' CANADIAN TIRE alone and together, have by ordinary and bona fide commercial usage become recognized in Canada as designating the kind, quality, value or place of origin of the applied for services in Canada. Further, the use of these words as a trade-mark would be misleading.

Section 38(2)(d) and Section 2

(f) The trade-mark claimed in the subject application is not distinctive. The Opponent submits that the trade-mark 'ARGENT' CANADIAN TIRE is not, and cannot be, distinctive of the services the Applicant has described in the subject application, nor is it adapted to distinguish the Applicant's services from the services of others.

Section 38(2), (b) and (d) and Section 2, 30(a) and (b)

(a) [sic] The trade-mark claimed in the subject application is not a valid trade-mark and is not registrable for use with the claimed service, because:

- (i) It is the name of the ware Canadian Tire Money;
- (ii) It is not actually distinctive of nor is it adapted to distinguish the claimed service because it is the ware that is used and known as ARGENT CANADIAN TIRE;
- (iii) It is used only as the name of the physical coupon given to Canadian Tire customers as being ARGENT CANADIAN TIRE ; and
- (iv) It is not inherently not [sic] from its use, suitable as a mark for services.

The applicant filed and served a counter statement on July 19, 2002 denying the grounds and allegations in the statement of opposition. On September 8, 2004, the applicant was granted leave to amend its counter statement to plead in the alternative that the opponent was estopped from asserting its first ground of opposition since the issue raised by that ground had already been decided against the opponent in the opposition decision in Home Hardware Stores Ltd. v. Canadian Tire Corp. (2004), 36 C.P.R.(4th) 185.

As its evidence, the opponent submitted the statutory declaration of Tonia R. Pedro. As its evidence, the applicant submitted the affidavits of Eymbert Vaandering, Theresa Briggs and Christine Walo. The applicant was subsequently granted leave to file a second affidavit of Christine Walo. Only the applicant filed a written argument and an oral hearing was conducted at which only the applicant was represented.

THE OPPONENT'S EVIDENCE

In her statutory declaration, Ms. Pedro identifies herself as a Law Clerk and states that she attended at a CANADIAN TIRE store in Orleans, Ontario to determine the nature of the use of the mark «ARGENT» CANADIAN TIRE. Appended as exhibits to her affidavit are photocopies of excerpts from various materials she obtained at the store including a catalogue, a flyer and a credit card application. Those excerpts reveal uses of different variations of the applicant's mark including the following:

«L' ARGENT» CANADIAN TIRE

l'«argent» Canadian Tire

«ARGENT» CANADIAN TIRE

l'«Argent» Canadian Tire

«argent» Canadian Tire

Ms. Pedro also searched several French-English dictionaries for the definition of the word “argent.” Exhibit D to her affidavit comprises photocopies of those definitions.

THE APPLICANT’S EVIDENCE

In his affidavit, Mr. Vaanderling identifies himself as the Vice President of Marketing of the Canadian Tire Retail Division of the applicant. According to Mr. Vaanderling, the applicant sells products made to its specifications to Canadian Tire associate stores which are independently owned and operated. Canadian Tire gas stations at or near Canadian Tire retail stores are operated by licensed petroleum agents.

The applicant began a loyalty coupon program redeemable at its gas stations in the 1950s and extended the program to its retail stores in eastern Canada in the 1960s. The program was further extended to the rest of Canada in the mid-1990s. The program consists of giving a cash bonus at a predetermined percentage of the price of goods purchased at Canadian Tire stores. The face value of the coupon given as the cash bonus indicates its redemption value on the purchase of merchandise at Canadian Tire stores or gas stations.

The public refers to the coupons as Canadian Tire money. In 1995, the applicant started using that term and «ARGENT» CANADIAN TIRE in ads for its loyalty program.

Since 1996, coupons with a face value in excess of \$80 million have been issued annually. Advertising expenditures for the program were in excess of \$14.8 million for the period 1996-2002.

According to Mr. Vaandering, more than 60% of Canadians shop at a Canadian Tire store on a monthly basis. He further states that there are more than 435 Canadian Tire stores across Canada. The applicant's sales in association with its CANADIAN TIRE trade-marks were in excess of \$200 million in 1970 and have since increased to more than \$5.9 billion in 2002. Millions of catalogues and flyers are distributed annually.

In her affidavit, Ms. Briggs identifies herself as a Trade Mark Agent and states that she conducted various searches of the applicant's trade-mark applications and registrations. The results of her searches are appended as exhibits to her affidavit.

Ms. Walo identifies herself as a trade mark assistant. Her two affidavits detail the circumstances giving rise to the disclaimer of the word ARGENT in the present application. Apparently its inclusion in the application was a mistake and such a disclaimer was not included in three related applications which included the word ARGENT.

THE GROUNDS OF OPPOSITION

In accordance with the usual rules of evidence, there is an evidential burden on the opponent to prove the facts inherent in respect of the allegations pertaining to each ground of opposition. The presence of an evidential burden on the opponent with respect to a particular

issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist: see Joseph E. Seagram & Sons v. Seagram Real Estate Ltd. (1984), 3 C.P.R.(3d) 325 at 329-30 (T.M.O.B.) and John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R.(3d) 293 at 297-300 (F.C.T.D.).

As for the first ground of opposition, a similar ground was considered by Board Member Herzig in the earlier Home Hardware opposition where the mark was CANADIAN TIRE “MONEY” and the service was the same as in the present application. At pages 189-190 of the reported decision, Mr. Herzig states as follows:

With respect to the second ground of opposition denoted by (b) above, the material date to assess compliance with Section 30 is the date of filing the application, in this case March 4, 1998: see, for example, *Style-Kraft Sportswear Ltd. v. One Step Beyond Ltd.* (1993) 51 C.P.R.(3d) 271. The opponent has not submitted any evidence to show that the applicant has failed to describe its service in ordinary commercial terms. Instead, the opponent relies on *Kraft Ltd. v. Registrar of Trade Marks* (1984), 1 C.P.R. (3d) 457 to argue that the applicant is offering a ware under the applied for mark, that is, the coupon itself, rather than a service. I agree with the opponent that the evidence in this proceeding supports the premise that the term CANADIAN TIRE MONEY is used by the public to identify the applicant’s redemption coupon. However, I see no reason why the term CANADIAN TIRE “MONEY” cannot also be used as a trade-mark to identify the applicant’s discount coupon program. In this regard, the *Kraft* case, above, gives wide latitude for what a person may provide as a service, at page 461:

The basic requirement of a trade mark with respect to services, then, is that it "distinguish ... services ... performed by [a person] from those ... performed by others ... ". It is this definition which brings within the scope of the Act trade marks with respect to services. I can see nothing in this definition to suggest that the "services" with respect to which a trade mark may be established are limited to those which are not "incidental" or "ancillary" to the sale of goods. Kraft has submitted that **it is providing a service by**

making its coupons widely and randomly available to consumers who, by the use of such coupons, can obtain its products at a reduced price. **I can see no reason why this cannot be described as a service** and I see nothing in the Act which requires the registrar to reject Kraft's statement of its services as "providing coupon programs pertaining to a line of food products". (emphasis added)

The success of the applicant's coupon redemption program has no doubt contributed to the identification of the coupon itself as "Canadian Tire money." In any event, while there might be a more apt expression than "cash bonuses" to describe the applicant's discount coupon program, in my view the description of the service specified in the subject application suffices to comply with Section 30(a) of the *Trade-marks Act*. The second ground of opposition is therefore rejected.

The above comments also apply to the present case. Although the public uses the expression L'ARGENT CANADIAN TIRE to describe the applicant's discount coupons, there is no reason it cannot also function as a trade-mark to identify the applicant's discount coupon program. Thus, the first ground is unsuccessful.

As for the opponent's second ground of opposition, the onus or legal burden is on the applicant to show that its application conforms to the requirements of Section 30(b) of the Trade-marks Act: see the opposition decision in Joseph Seagram & Sons v. Seagram Real Estate (1984), 3 C.P.R.(3d) 325 at 329-330 and the decision in John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R.(3d) 293 (F.C.T.D.). There is, however, an evidential burden on the opponent respecting its allegations of fact in support of that ground. That burden is lighter respecting the issue of non-conformance with Section 30(b) of the Act: see the opposition decision in Tune Masters v. Mr. P's Mastertune (1986), 10 C.P.R.(3d) 84 at 89.

Furthermore, Section 30(b) requires that there be continuous use of the applied for trade-mark in the normal course of trade since the date claimed: see Labatt Brewing Company Limited v. Benson & Hedges (Canada) Limited and Molson Breweries, a Partnership (1996), 67 C.P.R.(3d) 258 at 262 (F.C.T.D.). Finally, the opponent's evidential burden can be met by reference to the applicant's own evidence: see Labatt Brewing Company Limited v. Molson Breweries, a Partnership (1996), 68 C.P.R.(3d) 216 at 230 (F.C.T.D.).

In the present case, the only evidence submitted by the opponent is the Pedro affidavit. Without the assistance of a written argument from the opponent, it is difficult to determine what case the opponent is seeking to argue respecting its second ground. Both the Pedro affidavit and the Vaandering affidavit illustrate numerous instances of the use of the trade-mark «ARGENT» CANADIAN TIRE. Although the applicant employs variations of the mark in its catalogues, flyers and other advertising material, I consider those variations to be minor such that use of any one of them constitutes use of the applied for mark. Thus, there is nothing in the evidence inconsistent with the applicant's claimed date of first use and the second ground is also unsuccessful.

The third ground does not raise a proper ground of opposition. The fact that a trade-mark is clearly descriptive or deceptively misdescriptive of the character or quality of the applied for service does not prevent the applicant from stating that it is satisfied that it is entitled to use the applied for mark. Even if the mark offends Section 12(1)(b) of the Act, it can still function as a trade-mark and may still even be registrable pursuant to the provisions of Section 12(2) of the Act. Thus, the third ground is also unsuccessful.

As for the fourth ground of opposition, in view of the decision in Fiesta Barbeques Limited v. General Housewares Corporation (2003), 28 C.P.R.(4th) 254 (F.C.T.D.) which relies on the decision of the Supreme Court of Canada in Lightning Fastener Co. v. Canadian Goodrich Co. [1932] S.C.R. 189, it appears that the material time for assessing a ground based on Section 12(1)(b) of the Act is, and always was, the filing date of the application. Furthermore, the issue under Section 12(1)(b) of the Act is to be determined from the point of view of an everyday user of the services. Finally, the trade-mark in question must not be carefully analyzed and dissected into its component parts but rather must be considered in its entirety and as a matter of first impression: see Wool Bureau of Canada Ltd. v. Registrar of Trade Marks (1978), 40 C.P.R.(2d) 25 at 27-28 and Atlantic Promotions Inc. v. Registrar of Trade Marks (1984), 2 C.P.R.(3d) 183 at 186.

At page 191 of the reported Home Hardware decision, Mr. Herzig states as follows:

The opponent argues that (1) the words CANADIAN TIRE MONEY “. . . clearly point to the character of those services, namely that Canadian tire gives out what it refers to as Canadian Tire money as part of its cash program” and (2) the coupons are not in fact “money” in the traditional sense: see paragraph 48 of the opponent’s written argument. I agree with the opponent that the applicant’s coupons are not money, that is, not a commonly accepted medium of exchange in circulation. I do not agree that the public would be led or misled into thinking that the applicant’s discount program offers money. In my view, the term CANADIAN TIRE “MONEY” is a fanciful expression that identifies the applicant’s discount coupon and that also identifies the applicants discount program for cash paying customers. In the absence of any evidence supporting the opponent’s argument that consumers would believe that the applicant’s coupons represent actual money, I find no merit, at any material date, in the opponent’s allegations that the applied for mark is clearly descriptive or deceptively misdescriptive of the applicant’s services.

That conclusion is equally applicable with respect to the expression «ARGENT» CANADIAN TIRE.

Apart from the above, the opponent's fourth ground would be unsuccessful in any event since it does not raise a proper ground of opposition. Since the applicant's mark is comprised of one French word and two English words, the mark as a whole cannot be clearly descriptive or deceptively misdescriptive in the French or English language. Thus, the fourth ground is also unsuccessful.

The opponent has not adduced any evidence to support its fifth ground of opposition denoted by (e) above. As the opponent has not met its evidential burden, the fifth ground is also unsuccessful.

As for the sixth ground denoted by paragraph (f) above, it is not a proper ground of opposition since it does not contain any supporting allegations of fact. Thus, the sixth ground is also unsuccessful. If the opponent intended to base its sixth ground on its assertion that the applicant's mark offends Section 12(1)(b) of the Act, the ground would still have been unsuccessful in view of my conclusions respecting the fourth ground of opposition.

The seventh ground denoted by the second paragraph (a) above does not appear to raise a proper ground of opposition. To the extent it does, the supporting allegations have been discussed respecting the other grounds. As noted, the expression «ARGENT» CANADIAN TIRE can function to identify both the applicant's discount coupons and its coupon program.

Furthermore, the expression is not clearly descriptive or deceptively misdescriptive of the applicant's service or, in this case, of the applicant's actual discount coupons. Thus, the seventh ground is also unsuccessful.

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I reject the opponent's opposition.

DATED AT GATINEAU, QUEBEC THIS 19th DAY OF MAY, 2006.

**David J. Martin,
Member,
Trade-Marks Opposition Board.**