



LE REGISTRAIRE DES MARQUES DE COMMERCE  
THE REGISTRAR OF TRADEMARKS

**Citation: 2020 TMOB 108**

**Date of Decision: 2020-09-30**

**IN THE MATTER OF SECTION 45 PROCEEDINGS**

**Thor Tech, Inc.**

**Requesting Party**

**and**

**Quantum Enterprises Incorporated**

**Registered Owner**

**TMA847,624 for QUANTUM**

**Registrations**

**AUTOMOTIVE GROUP**

**TMA847,634 for QUANTUM**

INTRODUCTION

[1] At the request of Thor Tech, Inc. (the Requesting Party), the Registrar of Trademarks issued notices under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) on December 14, 2017, to Quantum Enterprises Incorporated (the Owner), the registered owner of registrations No. TMA847,624 for the trademark QUANTUM AUTOMOTIVE GROUP and TMA847,634 for the trademark QUANTUM (collectively, the Marks).

[2] The QUANTUM AUTOMOTIVE GROUP Mark (the QAG Mark) is registered for use in association with the following goods and services:

**GOODS**

(1) Beverage containers, namely, mugs, travel mugs, cups, glasses, squeeze bottles, sports bottles.

- (2) Clothing, namely, T-shirts, sweat shirts, sweat pants, sweat suits, sweaters, hats, caps, bandanas, golf shirts, denim shirts, jerseys, jackets, windbreakers, parkas, raincoats and gloves.
- (3) Sporting goods, namely, golf clubs, golf balls, golf bags, golf club head covers, golf divot repair tools; golf tees, soccer balls, volleyballs, water polo balls, tennis balls, footballs, baseballs, basketballs.
- (4) Pocket, wall and hand mirrors.
- (5) Paper and cloth towels.
- (6) Floor mats doormats, and floor, luggage and trunk mats for motor vehicles.
- (7) Paper and cloth napkins.
- (8) Ashtrays, matches, lighters, bottle cap openers, cork screws, key fobs, flashlights, plates and dishes, cutlery, serving bowls and coasters.
- (9) Printed and electronic publications, namely periodical publications, magazines, brochures, books, booklets, pamphlets, printed guides, catalogues, programs and photographs.
- (10) Stationery namely, writing and drawing paper, envelopes, writing and drawing pads, writing, drawing and painting implements, namely paint brushes, pens, pencils, markers and crayons; posters; note cards; postcards; greeting cards; diaries; calendars; photograph frames; photograph albums; prints and framed prints; gift boxes; gift tags and luggage tags; transfers namely, decalcomanias; ring binders; personal address, calendar and telephone number organizers; telephone books; note books; pen and pencil cases; pen and pencil boxes; pen and pencil holders; rulers; desk mats; computer mouse pads; computer screen savers; wallets, money clips, change holders and billfolds.
- (11) Jewelry; watches and clocks; candlesticks; napkin rings; belt buckles; serving trays; jewelry boxes; key rings and key chains; cuff links; broaches; hat pins, lapel pins and shirt studs; bracelets; bangles; earrings; pendants; medallions; charms; rings; watch straps; tie pins, tie tacks; tie clips; ornamental pins.

## SERVICES

- (1) The operation and management of motor vehicle dealerships.
- (2) The business of purchasing and selling motor vehicles.
- (3) Leasing and renting of new and used motor vehicles; motor vehicle fleet leasing.
- (4) Financial services in the field of motor vehicles, namely, financing the purchase and lease of new and used motor vehicles.
- (5) The business of underwriting and selling extended warranties for new and used motor vehicles.
- (6) Business services, namely, on-line customer relationship management for others in the field of motor vehicles; on-line inventory management for others in the field of motor vehicles; on-line retail store services offering motor vehicles and motor vehicle parts; on-line troubleshooting and maintenance services in the field of motor vehicles; on-line ordering services offering motor vehicles to the purchaser's and leasee's specifications;

providing information via the Internet in the field of purchasing, ordering, leasing and renting vehicles, namely, providing on-line information for concerning pricing, leasing and rental rates, motor vehicle options, motor vehicle location and motor vehicle specifications, all in the field of motor vehicles.

- (7) The operation of motor vehicle clubs.
- (8) The provision of motor vehicle inspection services.
- (9) The repair and maintenance of motor vehicles.

[3] The QUANTUM Mark is registered for use in association with the following goods and services:

#### GOODS

- (1) Beverage containers, namely, mugs, travel mugs, cups, glasses, squeeze bottles, sports bottles.
- (2) Sporting goods, namely, golf clubs, golf balls, golf bags, golf club head covers, golf divot repair tools; golf tees, soccer balls, volleyballs, water polo balls, tennis balls, footballs, baseballs, basketballs.
- (3) Pocket, wall and hand mirrors.
- (4) Cloth towels.
- (5) Floor mats doormats, and floor, luggage and trunk mats for motor vehicles.
- (6) Cloth napkins.
- (7) Ashtrays, matches, lighters, bottle cap openers, cork screws, key fobs, flashlights, plates and dishes, cutlery, serving bowls and coasters.
- (8) Writing, drawing and painting implements, namely paint brushes, pens, pencils, markers and crayons; diaries; calendars; photograph frames; photograph albums; prints and framed prints; gift boxes; gift tags and luggage tags; transfers namely, decalcomanias; ring binders; personal address, calendar and telephone number organizers; telephone books; pen and pencil cases; pen and pencil boxes; pen and pencil holders; rulers; desk mats; computer mouse pads; computer screen savers; wallets, money clips, change holders and billfolds.

#### SERVICES

- (1) The operation and management of motor vehicle dealerships.
- (2) The business of purchasing and selling motor vehicles.
- (3) Leasing and renting of new and used motor vehicles; motor vehicle fleet leasing.
- (4) The business of underwriting and selling extended warranties for new and used motor vehicles.

(5) Business services, namely, on-line retail store services offering motor vehicles and motor vehicle parts; on-line troubleshooting and maintenance services in the field of motor vehicle; on-line ordering services offering motor vehicles to the purchaser's and leasee's specifications; providing information via the Internet in the field of purchasing, ordering, leasing and renting vehicles, namely, providing on-line information concerning pricing, leasing and rental rates, motor vehicle options, motor vehicle location and motor vehicle specifications, all in the field of motor vehicles.

(6) The operation of motor vehicle clubs.

(7) The provision of motor vehicle inspection services.

(8) The repair and maintenance of motor vehicles.

[4] For the reasons that follow, I conclude that the goods should be expunged in their entirety from both registrations, and that the lists of registered services ought to be maintained in part.

[5] The notices required the Owner to show whether the Marks have been used in Canada in association with the registered goods and services at any time within the three-year period immediately preceding the date of the notices and, if not, the date when they were last in use and the reason for the absence of such use since that date. In this case, the relevant period for showing use is December 14, 2014, to December 14, 2017.

[6] The relevant definitions of use are set out in section 4 of the Act as follows:

4(1) A trademark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

4(2) A trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

[7] It is well established that bare statements that a trademark is in use are not sufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)]. Although the threshold for establishing use in these proceedings is low [*Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [*Union Electric Supply Co Ltd v Registrar of Trade Marks* (1982), 63 CPR (2d) 56 (FCTD)], sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trademark in association with *each* of the goods and services

specified in the registration during the relevant period [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA) (*John Labatt*)].

[8] The display of the trademark in the advertisement of the services is sufficient to satisfy the requirements of section 4(2) of the Act, from the time the owner of the trademark offers and is ready to perform the services in Canada [*Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20 (TMOB)].

[9] In response to the Registrar's notices, the Owner furnished the affidavits of Kenneth Eugene Szekely, both sworn June 12, 2018. The two affidavits are substantially the same. Both parties submitted written representations and were represented at an oral hearing.

#### THE OWNER'S EVIDENCE

[10] Mr. Szekely is the President and CEO of the Owner as well as Quantum Automotive MBB Incorporated, which was known as Quantum Automotive Group Incorporated until December 28, 2016. He explains that the latter entity was the registered owner of the Marks until December 28, 2016, at which time it assigned all right, title and interest in the Marks to the current Owner. He further states that Quantum Automotive MBB Incorporated continues to use the Marks under a license agreement in which the Owner exercises control over the character and quality of the goods and services associated with the Marks. Throughout the body of his affidavit, Mr. Szekely refers to these entities collectively as "Quantum Automotive" [QA].

[11] Mr. Szekely explains that QA has conducted business in the field of high-end motor vehicle goods and services from 2012 to the present, including through its Mercedes-Benz automotive dealership located in Burlington, Ontario. He states that through this dealership, QA buys and sells new and used automotive vehicles. Its customers include other dealers and wholesalers as well as retail customers; further, sales are made on a singular basis and as fleets of vehicles, both through direct sales and via purchase financing and leasing arranged by and through the Owner. In addition, Mr. Szekely states that QA's dealership provided servicing, repair, collision, structural and body work, modification, and customization of motor vehicles, and also the sale of motor vehicle parts to individual customers and to other dealers and repair facilities. He further states that during the relevant period, QA offered

a wide array of Mercedes-Benz and other motor vehicle accessories, including tires, wheels, hubs, floor mats, cargo liners, mud flaps, running boards, light bulbs, key chains, key fobs and Mercedes-Benz authorized and logo bearing clothing and gloves, cuff links, toys, and coffee and drinking cups, mugs and travel mugs.

[12] In addition to its dealership, Mr. Szekely states that QA also sells motor vehicles and parts across Canada in association with the Marks through the dealer's website, through the Mercedes-Benz Canada online dealer portal, and through online new and used vehicle clearing house portals such as *autotrader.ca*. As Exhibits 5, 6, and 7 he attaches screenshots from those websites, which he states are representative of how those websites appeared during the relevant period. I note that Exhibit 5, showing the website for QA's dealership, advertises sales of vehicles, servicing and repair, and other services. The QUANTUM Mark appears on the "About" page, describing the "Quantum Difference" in conjunction with QA's "Quantum Auto Spa", "Q aesthetics", "Q café"; the website also includes pages dedicated to these services, which also display the QUANTUM Mark. The words "Quantum Automotive Group" are referenced in a "Community Involvement" section in which Mr. Szekely discusses a partnership between Quantum Automotive Group and the Hamilton Health Sciences Foundation, and in which he is identified as the President and CEO of Quantum Automotive Group. Mr. Szekely states that there were more than 67,000 visits to QA's website between October 2016 and April 2017. Neither of the Marks appears on any of the Exhibit 6 screenshots. On the Exhibit 7 screenshots from *autotrader.ca*, a black box showing the words "Mercedes-Benz Burlington" and "Quantum Automotive Group" appears next to several vehicle listings.

[13] Mr. Szekely states that during the relevant period and after, QA brought the Marks to the attention of the public through various means. As Exhibit 8, he attaches a set of photographs showing the words "Quantum Automotive Group" on license plate frames and vehicles, as well as on displays and signage posted at what appear to be a variety of charitable and community events. As Exhibits 9, 10, and 12, he attaches a number of photographs of the interior of QA's dealership; the words "Quantum Automotive Group" are displayed on a number of posters and display cards placed throughout this dealership, including at what appears to be a reception desk, as well as on the screen of a closed-circuit television. In most instances, the words "Quantum Automotive Group" appear either in a stylized form with the larger word "Quantum" appearing above the words "Automotive Group", or in plain text underneath the words "Mercedes-Benz

Burlington”. Mr. Szekely states that these posters and display cards would have been visible at QA’s in-dealership concierge reception centre at which customers purchase or lease motor vehicles, and arrange for and purchase inspection, maintenance, and repair services.

[14] In addition, Mr. Szekely states that the Marks appear on business cards given to customers at the time of purchase or leasing of motor vehicles, inspection services, and maintenance and repair services. As Exhibits 13 and 15, he attaches copies of lease agreements and invoices dated during the relevant period. On the lease agreements, the dealer is listed as “Quantum Automotive Group Incorporated”; the Marks do not otherwise appear. The lease agreements indicate that extended warranties were sold in association with these vehicles. Further, two invoices are attached showing sales of vehicles, a third shows installation of winter tires, and the fourth is for a product identified only as “BULB”. In each case, a business card displaying the Marks is copied along with the invoices. Exhibit 13 also includes two letters dated within the relevant period showing the Marks on the bottom of the pages. The text of both letters is largely redacted.

[15] Mr. Szekely asserts that the Marks also appear on “displays associated with Quantum Automotive’s Pop-Up Shops selling Mercedes-Benz and other luxury products including” the following:

beverage containers in the nature of mugs, travel mugs, cups, glasses, squeeze bottles, sports bottles; clothing, in the nature of T-shirts, sweat shirts, sweat pants, sweat suits, sweaters, hats, caps, bandanas, golf shirts, denim shirts, jerseys, jackets, windbreakers, parkas, raincoats and gloves; ashtrays, lighters, bottle cap openers, cork screws, key fobs, flashlights, plates and dishes, cutlery, serving bowls and coasters; sporting goods, in the nature of golf clubs, golf balls, golf bags, golf club head covers, golf divot repair tools and golf tees; pocket, wall and hand mirrors; pens, pencils, posters; note cards; postcards; greeting cards; diaries; calendars; photograph frames, photograph albums, prints and framed prints; gift boxes, gift tags and luggage tags; jewelry in the nature of watches and clocks, belt buckles, jewelry boxes; key rings and key chains; cuff links, charms; rings; watch straps; tie pins, tie tacks; tie clips; ornamental pins.

[16] Mr. Szekely explains that “At the time of sale, these types of goods are packaged for the purchaser on bags, ribbons and wrapping bearing the QUANTUM Trademarks.” As Exhibit 11, he attaches photographs of a pop-up shop, gift bags, and various items bearing the Mercedes-

Benz logo. The Marks appear on the gift bags and signage for the pop-up shop; however, of the various products shown in Exhibit 11, the Marks are displayed only on a pen and on a yoga mat.

[17] Mr. Szekely then describes the “extended business” of QA which, during the relevant period, included various “modern luxury” amenities provided by QA, such as a café, golf cage, and health spa located at the dealership. Mr. Szekely also states that “Customers and others can enroll and participate in Quantum Automotive driver and performance driving experiences branded under the Q PERFORMANCE®, Q RACING®, and QUANTUM MOTOR SPORTS banners”, and that “Customers and others receive mailings of Quantum Automotive’s informative luxury lifestyle MarQuee Magazine featuring the goods and services offered by Quantum Automotive and other third parties and bearing the QUANTUM Trademarks”. As Exhibit 14, he attaches what appears to be five complete issues of this magazine dated during the relevant period. While the magazines include a number of advertisements for third-party goods and services, I note that each issue advertises QA’s dealership and products sold at the “Q Store” located therein, including various goods displaying the Mercedes-Benz logo. The words “Quantum Automotive Group” or “Quantum” appear in the following contexts:

- Editor’s and Publisher’s Notes at the beginning of each issue refer to the “team at Mercedes-Benz Burlington and Quantum Automotive Group” or similarly make reference to activities of Quantum Automotive Group. In each case, the words “Quantum Automotive Group” are in the body of the notes in the same font and size as the surrounding materials.
- An advertisement for the “Q Collision Centre” in the Fall/Winter 2015 issue describes various motor vehicle repair services provided at QA’s dealership and displays the Marks.
- An advertisement in the Fall/Winter 2015 issue which states “Join The Club” and advertises a rewards program for motor vehicle purchases at QA’s dealership. The Marks are displayed in their stylized form on this advertisement.

[18] In addition, I note that an advertisement in the Summer 2016 issue of QA’s magazine invites customers to book a “63-Point Inspection” at QA’s dealership; however, the Mark is not displayed on this advertisement.

[19] Mr. Szekely states that each of these magazines was



distributed in a run of 30,000 copies that are displayed in Quantum Automotive's business premises, at the business premises of those who advertise in Marquee Magazine, and by a direct mail campaigns. In addition, Quantum Automotive digitally E mails each issue of Marquee Magazine to approximately 12,000 discrete E mail addresses.

[20] Mr. Szekely states that QA's "Canadian revenues derived from QUANTUM Trademarks branded goods and services have consistently exceeded \$50,000,000.00, and its Canadian expenditures on marketing and promotion have consistently exceeded \$1,000,000.00, in each of the last four years" preceding the date of the affidavit, and that these figures have been "conservatively underestimated to preserve confidentiality". He includes in Exhibit 15 a copy of a marketing piece appearing in the National Post at an unspecified date in 2014, which he states is representative of national newspaper advertising during the relevant period. He also states that QA advertises through the web pages noted above, through web and physical advertisements in association with the Hamilton Bulldogs and the Hamilton Health Sciences Centre Foundation, and on social media (representative images of which are attached as Exhibits 16, 17, and 18, respectively). Mr. Szekely indicates that QA's Facebook account has over 6,000 followers, that its Instagram account has over 3,000 followers, that its Twitter account has over 1,700 followers, and that its LinkedIn account has over 900 followers. Further, many of the screenshots show the "reach" of the social media posts and engagement from social media users. The social media posts include the following:

- Numerous social media advertisements display the Marks in the course of advertising motor vehicle sales events, deals on winter tire installation, and QA's dealership and its location.
- An advertisement posted on QA's Facebook page during the relevant period advertises a "1% rate reduction on lease and finance exclusively from Mercedes-Benz Burlington" and displays the Marks in their stylized form.
- QA's LinkedIn profile states that "Mercedes-Benz Burlington a division of Quantum Automotive Group [...] offers a free, no obligation and confidential CarFinder tool, allowing you to specify your desired car and submit the vehicle configuration to us" prior to a prospective purchase.

[21] Finally, Mr. Szekely lists a number of awards won by QA during the relevant period.

## ANALYSIS

[22] At the outset, I note that Mr. Szekely refers to Quantum Automotive MBB Incorporated and the Owner collectively in his affidavit. Given that Mr. Szekely has clearly attested to the fact that the Owner exercises control over the goods and services associated with the Marks, I am satisfied that any evidenced use of the Marks by Quantum Automotive MBB Incorporated would enure to the Owner pursuant to section 50 of the Act [see *Empresa Cubana Del Tobacco Trading v Shapiro Cohen*, 2011 FC 102 at para 84].

[23] Otherwise, the Requesting Party submits that any use of the QAG Mark does not constitute use of the QUANTUM Mark, and further, that the Owner has not established use of the Mark in association with any of the registered goods or services. In response, the Owner submits that any use of the QAG Mark would also constitute use of the QUANTUM Mark, and that it has established use of the Mark in association with each of the registered goods and services, including by way of representative evidence. Each issue will be considered in turn.

### **Display of the QUANTUM Mark as registered**

[24] In deciding the first issue, one must look to see if the “dominant features” have been preserved [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA) at para 38]. Use of a word mark in combination with additional words or design elements qualifies as use of the word mark if the public, as a matter of first impression, would perceive the word mark *per se* as being used [*Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB) [*Nightingale*]; see also 88766 *Canada Inc v National Cheese Co* (2002), 24 CPR (4th) 410 (TMOB)]. Nothing prevents a word mark in such cases from being displayed in combination with design elements [see *Cox & Palmer v PB Brands Inc*, 2018 TMOB 15 at para 22], and there is nothing in the Act that precludes a trademark owner from using more than one trademark at the same time in association with the same goods [*AW Allen Ltd v Canada (Registrar of Trade Marks)* (1985), 6 CPR (3d) 270 (FCTD), and *Canadian Council of Professional Engineers v Ardex Inc* (2001), 13 CPR (4th) 554 (TMOB)]. Further, it is well established that the addition of descriptive words to a word mark is not necessarily fatal to a registration, even where those descriptive words appear in the same font and size as the word mark [see, for example, *Riches, McKenzie & Herbert v Pillsbury Co* (1995), 61 CPR (3d) 96 (TMOB) at para 14; *LE PEPE' SRL*

*v PJ Hungary Kft*, 2017 TMOB 82 at paras 18-20; *Smart & Biggar v Lotuspc.com Corporation*, 2019 TMOB 29 at paras 19-21].

[25] In this case, the Requesting Party submits that the dominant feature of the QAG Mark is the unitary impression created by the three words; thus, any appearance of the word “Quantum” in the context of the QAG Mark would not also constitute use of the QUANTUM Mark. In response, the Owner submits, and I agree, that the owner of a word mark may use that mark in any design form. In this case, I note that the word “Quantum” is the first element in “Quantum Automotive Group”, and is larger in some instances than the other text. I find that the words “Automotive Group” are descriptive, such that the QUANTUM Mark has not lost its identity and remains recognizable. As such, I am satisfied that use of the QAG Mark also constitutes use the QUANTUM Mark.

### **Representative Evidence**

[26] The Owner contends that where a recitation of goods and services is extensive, as in these proceedings, representative examples of an owner’s use of a trademark will suffice to maintain the registration, citing *Saks & Co v Canada (Registrar of Trade Marks)* (1989), 24 CPR (3d) 49 (FCTD).

[27] However, while evidentiary overkill is not required and representative evidence can be furnished in section 45 proceedings, the registered owner must still establish a *prima facie* case of use of the trademark in association with *each* of the goods and services specified in the registration [*John Labatt*; see also *Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184 [*Diamant Elinor*] at para 76]. In other words, the Registrar must be able to “rely on an inference from proven facts rather than on speculation” to satisfy every element required by the Act [*Diamant Elinor* at para 11; see also *Smart & Biggar v Curb*, 2009 FC 47]. In this case, instances in which it is possible to rely on an inference from proven facts to establish use of the Mark in association with certain registered goods or services will be indicated below.

## Goods

[28] I note that the list of registered goods for the QAG Mark includes a number of items not included in the list for the QUANTUM Mark, including a number of goods related to printed and electronic publications. I will address the publication goods separately; for the other registered goods, it is not necessary for me to consider the two registrations separately for the reasons detailed below.

### Goods in General

[29] With respect to the registered goods, the Requesting Party submits that Mr. Szekely's affidavit and the attached exhibits are silent as to which of the registered goods were sold in Canada during the relevant period in association with the Marks, noting that there are no representative invoices demonstrating a transaction in respect of any of the registered goods, and that the sales figures provided by Mr. Szekely are not broken down by product. The Requesting Party submits that it is not sufficient that goods were merely offered for sale, and that display of a trademark on point-of-sale signage and on shopping bags is not sufficient to establish use of the trademark within the meaning of the Act. As such, the Requesting Party submits that there is no evidence of transfers of any of the registered goods in Canada in the normal course of trade.

[30] In response, the Owner submits that the appearance of a trademark on in-store displays in proximity to the goods at their time of sale, and on bags into which the goods are placed at the time of purchase, satisfies the requirements of the Act, citing *Loblaws Ltd v Richmond Breweries Ltd* (1983), 73 CPR (2d) 258 (TMOB); *Riches Mckenzie & Herbert LLP v Parissa Laboratories Inc* (2006), 59 CPR (4th) 219 (TMOB); and *Lafco Enterprises Inc v Canadian Home Publishers*, 2013 TMOB 44.

[31] While it is true in some cases that display of a trademark on in-store displays at the time of sale of the goods can constitute use within the meaning of section 4(1), it generally will not constitute use in association with third-party goods branded with other trademarks. This issue was discussed in *McMillan LLP v April Cornell Holdings Ltd*, 2015 TMOB 111 at para 24:

It is true that the display of a trade-mark on signage in close proximity to goods at the time of transfer of possession or property of those goods may satisfy the requirements of

section 4(1) of the Act. See for example the use of shelf talkers, counter cards, and other in-store displays in the following cases: *Loblaws Ltd v Richmond Breweries Ltd* (1982), 73 CPR (2d) 258 (TMOB); *General Mills Canada Ltd v Procter & Gamble Inc* (1985), 6 CPR (3d) 551 (TMOB); *Canadian Council of Professional Engineers v Randolph Engineering Inc* (2001), 19 CPR (4th) 259 (TMOB), at 262; *Lafco Enterprises Inc v Canadian Home Publishers*, 2013 TMOB 44; *Fogler, Rubinoff LLP v Blistex Inc*, 2014 TMOB 181. However, each case must be considered on its own merits and when considering if notice of association is given “in any other manner”, the context is important. For example, whether or not other trade-marks are present and most notably the presence of trade-marks of other traders are factors to consider [see for example *Clark, Wilson v Myriad Innovative Designs Inc*, 2001 CanLII 37728 (TMOB); and *Batteries Plus LLC v Source (Bell) Electronics Inc*, 2012 TMOB 202]. In other words, it is not necessarily determinative that a trade-mark is displayed on signage in close proximity to goods. In the case of the sale of third party goods, in fact, it is likely irrelevant. [Emphasis added]

[32] In this case, the goods shown in evidence clearly display the Mercedes-Benz logo, rather than either of the Marks; further, the Owner described the goods displaying the Mercedes-Benz logo as “third-party goods” at the hearing. Accordingly, display of the Marks on signage and the like at the point of sale is insufficient to establish the requisite use in this case.

[33] Similarly, the act of placing goods bearing third-party marks into a shopping bag bearing a trademark at the time of purchase is insufficient, on its own, to establish use of that trademark in association with the third-party goods [see, for example, *6438423 Canada Inc v Consumers Nutrition Center Ltd*, 2009 CanLII 82134 (TMOB) at paras 12-14; and *Moffat & Co v Big Erics Inc*, 2015 TMOB 52 at para 17]. As stated by the Registrar in *Gowling, Strathy & Henderson v Karan Holdings Inc* (2001), 14 CPR (4th) 124 (TMOB) at para 8:

Concerning the registrant’s argument that the trade-mark appears on a sign on the front of the store, on shopping bags and on boxes used to deliver the wares, I am of the opinion that such use of the trade-mark is more akin to use of the trade-mark in association with a service namely to distinguish the registrant’s retail outlet from retail outlets of others. Consequently, I cannot conclude that the use shown is use of the trade-mark in association with wares, namely to distinguish a particular item of clothing from the clothing of others. I would add here that at the hearing the registrant conceded that the clothing bore the trade-marks of others.

[34] In my view, the same reasoning is applicable to the current case. The display of the Mark on shopping bags is not enough on its own to establish use of the Marks in association with the third-party goods placed inside those bags at the time of purchase.

[35] With respect to the pen shown in Exhibit 11 as displaying the words “Quantum Automotive Group”, there is no indication in evidence that this item was transferred in the normal course of trade, as opposed to merely being a promotional item.

QAG Mark: Publication Goods

[36] With respect to the registered goods “Printed and electronic publications, namely periodical publications, magazines, brochures, books, booklets, pamphlets, printed guides, catalogues, programs and photographs”, registered in association with the QAG Mark but not the QUANTUM Mark, the Owner notes that 30,000 copies of each issue of QA’s “MarQuee Magazine” were distributed during the relevant period, and submits that such distribution was in the normal course of trade. While there is no evidence that these magazines were sold, I note that when a publication bearing a trademark gains revenue from selling advertising space to other businesses, its distribution to the consumer may constitute use under section 4(1) of the Act [*Times Mirror Co v Transcontinental Distribution Inc* (2004), 42 CPR (4th) 1 (TMOB) at para 33; *Szibbo v 1772887 Ontario Ltd*, 2015 TMOB 178 at paras 21-22].

[37] However, the Requesting Party submits that any appearance of the words “Quantum Automotive Group” in these magazines is use of a trade name, rather than use as a trademark. As discussed above, I note that the only appearances of the words “Quantum Automotive Group” are in the body of the editor’s and publisher’s notes at the start of each issue, and in the context of advertisements for QA’s dealership and various services offered therein.

[38] As stated in *Consumers Distributing Co/Cie Distribution aux Consommateurs v Toy World Ltd*, 1990 CarswellNat 1398 (TMOB) at para 14, “trade-mark and trade-name usage are not necessarily mutually exclusive”. The question is whether the registered owner has shown use of its trademark in such a way that it is identifiable as a trademark and not merely as a corporate name or corporate identifier. Relevant factors to consider include whether the trademark stands apart from the corporate address and other corporate identifier information to the extent that the public would perceive such use as a trademark and not merely as identification of a legal entity [see *Road Runner Trailer Manufacturing Ltd v Road Runner Trailer Co* (1984), 1 CPR (3d) 443 (FCTD) at para 16; *Nightingale* at para 7; *Borden Ladner Gervais LLP v GDC Communities*, 2015 TMOB 50 at para 20].

[39] In this case, the appearances of the words “Quantum Automotive Group” in the editor’s note and publisher’s note at the beginning of each magazine amount to use of the trade name but not the Marks. While counsel for the Owner sought at the oral hearing to distinguish between the terms “Mercedes-Benz Burlington” as the Owner’s trade name and “Quantum Automotive Group” as the Owner’s “brand” or trademark, such a proposition is difficult to reconcile with the fact that the latter appears in the editor’s and publisher’s notes in phrases like “the team at Mercedes-Benz Burlington and Quantum Automotive Group” and to QA’s dealership as being “the crown jewel of Quantum Automotive Group”. In my view, given that the words are printed in the same font, size, and colour as the article as a whole, and are used in the context of discussion of the activities of a business entity and its personnel, the public would likely perceive such appearances merely as identification of a legal entity, rather than as a trademark in respect of the magazine itself.

[40] To the extent that the words “Quantum Automotive Group” appear within some of the newsletters in the context of advertisements for the Owner’s services, in my view, such appearances would also not constitute use of the QAG Mark in association with the magazine itself. In this respect, the fact pattern in the present case can be distinguished from *United Grain Growers Ltd v Lang Michener*, 2001 FCA 66, cited by the Owner. In that case, the registered owner furnished evidence of a magazine entitled Country Guide which included a regular feature section bearing the title COUNTRY LIVING, the trademark in question. By contrast, in this case, the QAG Mark is displayed only in some editions of the magazine and only in the context of advertisements for the Owner’s services. Accordingly, such appearances of the QAG Mark may constitute use in association with the advertisement of the Owner’s services, as discussed further below, but not in association with the magazine in which the advertisements appear.

[41] As there is no evidence of special circumstances excusing non-use of the Marks in association with any of the registered goods, the registrations will be amended accordingly.

### **Services**

[42] Again, the list of registered services for the QAG Mark includes some services not included in the list of registered services for the QUANTUM Mark. Any services registered in

association with the QAG Mark but not the QUANTUM Mark are indicated below. Otherwise, the services discussed below are registered in association with both Marks.

Dealership Services: QAG Mark and QUANTUM Mark

[43] With respect to the registered services, the Requesting Party submits that while Mr. Szekely asserts use of the Marks in association with certain services, such assertions are not supported by documentary evidence showing that the Marks were displayed in the performance or advertising of each of the specific services listed in the registration. In particular, the Requesting Party submits that the Marks do not appear on the web page screenshots attached as Exhibits 5 through 7 in association with any of the registered services, nor on the agreements or invoices attached as Exhibits 13 and 15. With respect to the invoices, the Requesting Party observes that a business card displaying the Mark was placed on top of each invoice before they were photocopied for these proceedings, which is not reliable evidence of use. The Requesting Party submits that at best, the evidence shows some references to the Mark within the interior of QA's dealership on a license plate frame, on a few paper signs, and on a closed circuit video display, but such appearances are not tied to any of the specific services listed in the registrations. The Requesting Party observes that the sales figures provided by Mr. Szekely are not broken down by goods or services and do not indicate use of the Marks.

[44] In response, the Owner submits that its evidence demonstrates that the QAG Mark was prominently displayed on tabletop displays and banners throughout QA's dealership, both in the stylized form and in plain text, and on the evidenced business cards in stylized form. I am satisfied that the appearances of these words would constitute use of the Marks rather than merely as a trade name given that they stand out from the surrounding materials in such a way that members of the public would perceive such use as a trademark. Mr. Szekely confirms in his affidavit that such banners and displays are visible to customers at the time they pay for the services provided at QA's dealership; accordingly, I am satisfied that the Marks were displayed in the performance of any services provided at that dealership.

[45] In view of the foregoing, I will now address each of the registered services. With respect to the registered service "The operation and management of motor vehicle dealerships", it is clear from the totality of the Owner's evidence that the Mercedes-Benz Burlington motor vehicle



dealership was operational and conducting business during the relevant period, and that the Marks were displayed throughout this dealership. Accordingly, I am satisfied that the Owner has shown use of the Marks in association with this registered service within the meaning of the Act.

[46] With respect to the registered service “The business of purchasing and selling motor vehicles”, Exhibits 13 and 15 include an invoice showing the purchase of a motor vehicle during the relevant period at QA’s dealership. Given that the Marks would have been visible on the banners and table displays at the time of purchase of vehicles at the dealership, as well as on the business card which Mr. Szekely states would have been provided along with the invoice at the time of sale, I am satisfied that the Owner has shown use of the Marks in association with this registered service within the meaning of the Act.

[47] With respect to the registered service “Leasing and renting of new and used motor vehicles; motor vehicle fleet leasing”, Exhibits 13 and 15 include a representative lease agreement for a motor vehicle dated during the relevant period. Further, Mr. Szekely confirms in his affidavit that QA sold and leased new and used vehicles, individually and as fleets, at its dealership during the relevant period. Given that the Marks would have been visible on the banners and table displays at the time that such lease agreements would have been signed, I am satisfied that the Owner has shown use of the Marks in association with this registered service within the meaning of the Act.

[48] With respect to the registered service “The business of underwriting and selling extended warranties for new and used motor vehicles”, I note that the lease agreements included in Exhibits 13 and 15 show sales of extended warranties. Again, given that the Marks would have been visible on the banners and table displays at the time that such lease agreements would have been signed, I am satisfied that the Owner has shown use of the Marks in association with this registered service within the meaning of the Act.

[49] With respect to the registered service “The operation of motor vehicle clubs”, I note that the Fall/Winter 2015 issue of the magazine shown in Exhibit 14 includes an advertisement entitled “Join The Club” in the course of advertising a rewards program for motor vehicle purchases at QA’s dealership. The Marks are displayed in their stylized form on this advertisement; further, I am satisfied that the Owner was offering and prepared to perform this

service during the relevant period. Accordingly, I am satisfied that the Owner has shown use of the Marks in association with this registered service within the meaning of the Act.

[50] With respect to the registered service “The provision of motor vehicle inspection services”, the only direct references to vehicle inspection services in the Owner’s exhibited evidence are a page of the Summer 2016 issue of QA’s magazine inviting customers to book a “63-Point Inspection” at QA’s dealership, which does not display either of the Marks, and an Instagram advertisement for inspection services included in the “Quantum Express Service” at QA’s dealership, which displays the QUANTUM Mark but not the QAG Mark. Based on these advertisements, I am satisfied that the Owner was offering and prepared to perform inspection services at its dealership. Although there is no invoice evidence showing that the Owner actually performed such services during the relevant period, Mr. Szekely confirms in his affidavit that the Owner performed inspection services at its dealership during the relevant period, and explains that the Marks would have been visible on the banners and table displays at the time that customers would have dropped off their vehicles for inspection and when they paid for such services, as well as on business cards accompanying invoices for such services. Accordingly, I am satisfied that the Owner displayed the Marks in the performance of inspection services at its dealership during the relevant period, and that the Owner has therefore shown use of the Marks in association with this registered service within the meaning of the Act.

[51] With respect to the registered service “The repair and maintenance of motor vehicles”, I note that a “Q Collision Centre”, located at QA’s dealership, is referenced several times throughout the Owner’s evidence, including in the Fall/Winter 2015 issue of QA’s magazine. The magazine indicates that the Q Collision Centre was offering and prepared to perform repair and maintenance services for motor vehicles during the relevant period; further, the Marks appear numerous times on the page advertising the Q Collision Centre. As such, I am satisfied that the Owner was offering and prepared to perform this service during the relevant period. In addition, invoices for vehicle maintenance in the form of installation of winter tires are included in Exhibits 13 and 15; further, Mr. Szekely confirms that the Marks would have been visible on the banners and table displays at the time that customers would have paid for such services, as well as on business cards accompanying invoices for such services. I am therefore satisfied that

the Owner has shown use of the Marks in association with this registered service within the meaning of the Act.

Dealership Services: QAG Mark Only

[52] With respect to the registered service “Financial services in the field of motor vehicles, namely, financing the purchase and lease of new and used motor vehicles”, registered only in association with the QAG Mark, Exhibit 18 includes an advertisement posted on QA’s Facebook page during the relevant period advertising a “1% rate reduction on lease and finance exclusively from Mercedes-Benz Burlington” and displaying the QAG Mark in the stylized form. Further, QA’s website refers to “our various financing options” and includes a section entitled “Financing”. In addition, Mr. Szekely states in his affidavit that during the relevant period, QA’s dealership engaged in sales of motor vehicles “via purchase financing and leasing arranged by and through Quantum Automotive”, and that the Marks would have been visible on the banners and table displays at the dealership’s concierge reception desk at the time that such lease agreements would have been signed. Accordingly, I am satisfied that the Owner was offering and prepared to perform these services during the relevant period, and that the Owner has therefore shown use of the QAG Mark in association with this registered service within the meaning of the Act.

Online Services: QAG Mark and QUANTUM Mark

[53] With respect to the advertisements shared through QA’s various social media accounts, shown at Exhibit 18, I note that to constitute advertising, materials displaying the trademark, including promotional material posted online, must be “distributed to” or accessed by prospective customers [*Cornerstone Securities Canada Inc v Canada (Registrar of Trade Marks)* (1994), 58 CPR (3d) 417 (FCTD); *Shift Law v Jefferies Group, Inc*, 2014 TMOB 277]. The Requesting Party submits that there is no indication that any Canadians accessed the advertisements. However, Mr. Szekely indicates in his affidavit that QA’s various social media accounts have hundreds, or thousands, of followers. Given that the Owner’s business is the operation of a motor vehicle dealership in Canada, I am prepared to infer that at least some of those social media followers are Canadians, and that any advertisements posted by those social media accounts would have “reached” and been accessed by Canadians.

[54] With respect to the services “on-line retail store services offering motor vehicles and motor vehicle parts”, while Mr. Szekely states that QA sells motor vehicles and parts through its website, there is no indication that the Marks would have been visible to customers in the course of making such a purchase. As noted above, the words “Quantum Automotive Group” appear only in the course of a paragraph on the “Community Involvement” page of the website; similarly, the QUANTUM Mark is only displayed on certain pages of QA’s website, including in the “About” section which refers to the “Quantum Difference” in association with services located at QA’s dealership. There is no evidence to suggest that either of the Marks would be visible when a customer is using the online ordering service within the website. Just as a trademark displayed in one section of a department store may not necessarily be associated with all goods or services offered throughout that store, where and how a trademark is displayed on a website is relevant [see, for example, *McMillan LLP v SportsLine.com, Inc*, 2014 TMOB 51 at para 12; *Imex Systems Inc v Pinnacle Webworx Inc*, 2015 TMOB 163 at para 14]. Additionally, while the Owner refers to display of the Marks in association with vehicles offered for sale on the website *autotrader.ca*, this is not an instance of the Owner providing retail store services itself, but instead, selling motor vehicles by way of retail store services provided by a third party. Accordingly, I am not satisfied that the Owner has established use of the Marks in the course of the performance or advertisement of this service.

[55] With respect to the services “on-line troubleshooting and maintenance services in the field of motor vehicles”, there is no evidence that QA ever performed or advertised such a service in association with the Marks; indeed, this service is not referenced in the Owner’s evidence at all. Even if QA did perform online troubleshooting or maintenance services, in the absence of evidence showing how the Marks would have been displayed in the course of performance or advertisement of these services, I cannot conclude that the Owner has shown use of the Marks in association with these services within the meaning of the Act.

[56] With respect to the services “on-line ordering services offering motor vehicles to the purchaser’s and leasee’s specifications”, QA’s LinkedIn profile states that “Mercedes-Benz Burlington a division of Quantum Automotive Group [...] offers a free, no obligation and confidential CarFinder tool, allowing you to specify your desired car and submit the vehicle configuration to us” prior to a prospective purchase. I am satisfied that this constitutes use of the

Marks in association with advertisement of this registered service, and that the Owner was offering and prepared to perform this service during the relevant period. As discussed above, I am also satisfied that this advertisement would have been viewed by Canadians during the relevant period. Accordingly, I am satisfied that the Owner has shown use of the Marks in association with this registered service within the meaning of the Act.

[57] Finally, with respect to the services “providing information via the Internet in the field of purchasing, ordering, leasing and renting vehicles, namely, providing on-line information concerning pricing, leasing and rental rates, motor vehicle options, motor vehicle location and motor vehicle specifications, all in the field of motor vehicles”, the Owner has not pointed to any evidence of the Marks being used in association with such services. While the Owner’s evidence includes a number of social media advertisements displaying the Marks advertising motor vehicle sales events, deals on winter tire installation, and QA’s dealership and its location, these advertisements are for the benefit of the Owner, rather than the general public. With respect to advertising or informational services, the Registrar has held that advertising on its own may not be a *bona fide* service in cases where it is not provided to a third party and instead only benefits the registered owner, such as where a registered owner advertises their own goods or services [see *Ralston Purina Co v Effem Foods Ltd* (1997), 81 CPR (3d) 528 (TMOB) at para 14]. Accordingly, use in association with such advertisements does not constitute use in association with this registered service within the meaning of the Act. Accordingly, I am not satisfied that the Owner used the Marks in association with this registered service within the meaning of the Act.

Online Services: QAG Mark Only

[58] With respect to the registered services “Business services, namely, on-line customer relationship management for others in the field of motor vehicles; on-line inventory management for others in the field of motor vehicles”, registered only in association with the QAG Mark, the Owner made no reference in its submissions to anything in evidence that would correspond with such online services for others. While Mr. Szekely indicates that QA provides services to other vehicle dealerships, wholesalers, and retailers such as refurbishing motor vehicles, there is no indication that QA provided customer relationship management or inventory management for

others during the relevant period, nor is there any indication that QA advertised such services for others. In this respect, it is not for the Registrar to speculate as to the nature of the registered goods or services [*Fraser Milner Casgrain LLP v Fabric Life Ltd*, 2014 TMOB 135 at para 13; *Wrangler Apparel Corp v Pacific Rim Sportswear Co* (2000), 10 CPR (4th) 568 (TMOB) at para 12]. Accordingly, I am not satisfied that the Owner has shown use of the QAG Mark in association with these services within the meaning of the Act.

DISPOSITION: TMA847,624 FOR QUANTUM AUTOMOTIVE GROUP

[59] In view of all of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with the provisions of section 45 of the Act, the registrations for the QAG Mark will be amended to delete all of the registered goods, as well as “on-line customer relationship management for others in the field of motor vehicles; on-line inventory management for others in the field of motor vehicles; on-line retail store services offering motor vehicles and motor vehicle parts; on-line troubleshooting and maintenance services in the field of motor vehicles; [...] providing information via the Internet in the field of purchasing, ordering, leasing and renting vehicles, namely, providing on-line information concerning pricing, leasing and rental rates, motor vehicle options, motor vehicle location and motor vehicle specifications, all in the field of motor vehicles” from services (6).

[60] The amended statement of services for the QAG Mark will be as follows:

- (1) The operation and management of motor vehicle dealerships.
- (2) The business of purchasing and selling motor vehicles.
- (3) Leasing and renting of new and used motor vehicles; motor vehicle fleet leasing.
- (4) Financial services in the field of motor vehicles, namely, financing the purchase and lease of new and used motor vehicles.
- (5) The business of underwriting and selling extended warranties for new and used motor vehicles.
- (6) Business services, namely, on-line ordering services offering motor vehicles to the purchaser’s and leasee’s specifications.
- (7) The operation of motor vehicle clubs.
- (8) The provision of motor vehicle inspection services.
- (9) The repair and maintenance of motor vehicles.

DISPOSITION: TMA847,634 FOR QUANTUM

[61] Similarly, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with the provisions of section 45 of the Act, the registration for the QUANTUM Mark will be amended to delete all of the registered goods, as well as “on-line retail store services offering motor vehicles and motor vehicle parts; on-line troubleshooting and maintenance services in the field of motor vehicle; [...] providing information via the Internet in the field of purchasing, ordering, leasing and renting vehicles, namely, providing on-line information concerning pricing, leasing and rental rates, motor vehicle options, motor vehicle location and motor vehicle specifications, all in the field of motor vehicles” from services (5).

[62] The amended statement of services for the QUANTUM Mark will be as follows:

- (1) The operation and management of motor vehicle dealerships.
- (2) The business of purchasing and selling motor vehicles.
- (3) Leasing and renting of new and used motor vehicles; motor vehicle fleet leasing.
- (4) The business of underwriting and selling extended warranties for new and used motor vehicles.
- (5) Business services, namely, on-line ordering services offering motor vehicles to the purchaser’s and leasee’s specifications.
- (6) The operation of motor vehicle clubs.
- (7) The provision of motor vehicle inspection services.
- (8) The repair and maintenance of motor vehicles.

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G.M. Melchin  
Hearing Officer  
Trademarks Opposition Board  
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD  
CANADIAN INTELLECTUAL PROPERTY OFFICE  
APPEARANCES AND AGENTS OF RECORD**

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**HEARING DATE** 2020-08-14

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