



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2020 TMOB 106

Date of Decision: 2020-09-16

IN THE MATTER OF AN OPPOSITION

Carfinco Inc.

Opponent

and

Quantum Automotive Group

Applicant

Incorporated

1,585,858 for Q Cars

Application

INTRODUCTION

[1] Carfinco Inc. (the Opponent) opposes registration of the trademark Q Cars (the Mark), which is the subject of application No. 1,585,858 filed by Quantum Automotive Group Incorporated (the Applicant).

[2] The application is based on proposed use in Canada in association with a long list of goods and services, as amended, set out in the attached Schedule A (the Goods and Services).

[3] The Opponent alleges grounds of opposition based on non-compliance with sections 30(a), 30(e) and 30(i) of the *Trademarks Act*, RSC 1985, c T-13 (the Act), confusion with a registered trademark (section 12(1)(d)), entitlement (section 16), and distinctiveness (section 2). The Act was amended on June 17, 2019. All references in this decision are to the Act

as amended, with the exception of references to the grounds of opposition which refer to the Act before it was amended (section 70 of the Act).

[4] The key issue in the proceeding is the likelihood of confusion between the Mark and the Opponent's CAR-Q trademark, and CAR-Q & Design trademark (as shown below), both based on prior use in association with financing services, namely providing on-line applications to dealerships for the financing of automobiles; information services, namely, providing on-line information to dealerships regarding the status of an application; and contract management services relating to financing of a vehicle.



[5] For the reasons that follow, the opposition is rejected.

THE RECORD

[6] The application for the Mark was filed on July 12, 2012 and was advertised in the *Trademarks Journal* on February 10, 2016.

[7] The Opponent filed a statement of opposition on April 8, 2016.

[8] The Applicant filed and served a counter statement on June 16, 2016.

[9] The grounds of opposition are summarized below:

- (a) The application does not conform to the requirements of section 30(a) of the Act as the specification of goods and services does not meet the requisite degree of specificity nor are the goods and services described using ordinary commercial terms.
- (b) The application does not conform to the requirements of section 30(e) because the Applicant could not have intended to use the Mark because it was aware of the Opponent's prior rights in the CAR-Q trademarks.

- (c) The application does not conform to the requirements of section 30(i) of the Act because: i) the Applicant could not have been satisfied it was entitled to use the Mark in view that it was aware of the Opponent's trademarks; ii) using the Mark would have the effect of depreciating the value attached to the Opponent's registered trademark contrary to section 22 of the Act; and iii) using the Mark would violate section 7 of the Act.
- (d) The Applicant is not the person entitled to register the Mark pursuant to section 16(3)(a) as the Mark was confusing with the previous use of the Opponent's CAR-Q trademarks.
- (e) The Mark is not registrable because it is confusing with the Opponent's registered mark CAR-Q & Design.
- (f) The mark is not distinctive of the Applicant within the meaning of section 2 of the Act as the Mark does not distinguish and is not adapted to distinguish the applied for goods and services from those goods and services of the Opponent either previously used or registered under the Opponent's trademarks.

[10] In support of its opposition, the Opponent filed the affidavit of Troy S.F. Graf sworn October 20, 2016, a certified copy of the file history for the present application No. 1,585,858 and a certified copy of the Opponent's registration No. TMA650,913 for the trademark CAR-Q & Design. Mr. Graf was cross-examined and his cross-examination transcript, exhibits (including the affidavit of Troy S.F. Graf sworn October 17, 2013 submitted in the section 45 cancellation proceeding), and replies to undertakings all form part of the record. In support of its application the Applicant filed the affidavit of Kenneth Eugene Szekely. The Opponent did not file any evidence in reply.

[11] Both parties filed a written argument but only the Applicant was represented at an oral hearing.

EVIDENTIAL BURDEN AND LEGAL ONUS

[12] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298].

OPPONENT'S EVIDENCE

[13] Mr. Graf identifies himself as the Chief Operating Officer of the Opponent, a position he has held since 2011.

[14] His evidence shows that Carfinco is as an Alberta-based specialized vehicle financing company which provides loans to vehicle purchasers in Canada who do not fit conventional lender's criteria for acceptance of such loans. In providing these services, Mr. Graf's company provides dealer guides in which his company's CAR-Q and CAR-Q & Design trademarks appear. Examples of such guides issued and distributed in the years 2005-2008 and 2011 are attached as Exhibit A. In this dealer guide, the Opponent's CAR-Q service is described as follows:

CAR-Q is our totally Internet based application and contract management system.

CAR-Q enables you to submit and view all credit applications, book vehicles and check the status of contracts submitted for funding. It also has a messaging system that enables communication directly with CARFINCO credit & funding staff.

[15] Attached as Exhibit B to Mr. Graf's affidavit is a screen shot of the homepage of the Opponent's website at www.carfinco.com where a variation of the Opponent's CAR-Q & Design mark also appears. Mr. Graf attests that new and existing dealers, as users of the Opponent's website, click on the "CAR-Q" login button at the bottom right-hand corner of the webpage to gain password protected access to the Opponent's services.

[16] I will note here that since I consider the word CAR-Q to be the dominant feature of the mark as registered, and this feature has been maintained in the evidence produced, I am satisfied that the use shown in Exhibits A and B constitutes use of the mark as registered [*Canada (Registrar of Trademarks) v Cie International pour l'informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA)]. I also accept that any use of the CAR-Q & Design mark also constitutes use of the Opponent's CAR-Q word mark. The marks do not differ substantially and the use of a word mark can be supported by the use of a composite mark featuring the word mark and other elements [see, for example, *Stikeman, Elliot v Wm Wrigley Jr Co* (2001), 14 CPR (4th) 393)].

[17] The remaining evidence of Mr. Graf may be summarized as follows:

- within the online portal system, the Opponent receives and adjudicates approximately 25,000 inbound credit applications per month from the nearly 3,000 dealers that use their financial products;
- the portal also contains a workflow for funding approved applications where they onboard approximately 12,000 new customers per annum, which represents approximately \$300,000,000 in annual loan funding;
- Mr. Graf's company has offered services through this system in association with CAR-Q trademarks since 2004; and
- between 2012 and 2016, the Opponent's growth, as described by Mr. Graf, has been as follows:
 - loan originations have grown from \$150 million in 2012 to \$300 million;
 - loan applications have grown from approximately 150,000 to 300,000; and
 - the number of participating dealers has increased annually from approximately 1,500 to approximately 3,000.

Cross-examination of Mr. Graf

[18] Pertinent points confirmed by Mr. Graf on cross-examination include the following:

- He did not include any dealer guides from 2012-2016 because the content of such guides had changed and his company did not want its competition to see his company's programs as openly;
- The dealer guides he attached to his affidavit are not the guides used today;
- The Opponent's financing services are offered to car dealerships, not car manufacturers;
- The Opponent's services do not apply to consumers who come into a dealership with their own financing to buy a vehicle;
- Dealerships have to be registered with the Opponent in order to get into the Opponent's portal;
- The dealership fills out the online application for credit approval – not the customer; and
- Exhibit I to Mr. Graf's affidavit sworn in the section 45 proceeding is an accurate representation of a screenshot of the homepage of the Opponent's website on October 2, 2013 which shows the mark CAR-Q in the bottom right corner and Carfinco Financial Group Inc. at the top of the page and does not reference the Opponent.

APPLICANT'S EVIDENCE

[19] The Applicant filed as its evidence the affidavit of Kenneth Eugene Szekely, President and CEO of QUANTUM AUTOMOTIVE MBB INCORPORATED (Quantum Subsidiary), the original applicant of the Q Cars trademark application and QUANTUM ENTERPRISES INCORPORATED (Quantum Enterprises), the successor-in-title and legal owner of the Q Cars trademark and trademark application.

[20] The affidavit of Mr. Szekely comprises three volumes of materials. The second volume of his affidavit includes certified copies of the current registrations for the trademarks comprising the QUANTUM family of trademarks and tradenames and the Q family of trademarks, as well as a certified copy of the pending application for the Mark. A list of these trademarks is set out in the attached Schedule B.

[21] Pertinent parts of the remainder of Mr. Szekely's evidence may be summarized as follows:

- Quantum Enterprises exercises direct control over the character and quality of the goods and services offered by the Quantum Subsidiary in association with its Quantum Family and Q Family of trademarks;
- The Applicant has been a trader in high end motor vehicle goods and services since 2012 and the crown jewel in this business endeavour is the Mercedes-Benz automotive dealership operated in Burlington, Ontario;
- The Applicant has engaged in numerous extended automotive activities, since 2012, in association with a family of marks including the servicing, repair, collision structural and body work, modification, and customization of motor vehicles, and also the sale of motor vehicle parts both to individual consumers and to other vehicle dealers and repair facilities;
- In addition to traditional motor vehicle dealer and related services, the Quantum Subsidiary has been an industry leader in Canada in the conceptualization and implementation of what Quantum Automotive refers to as the flagship "Modern Luxury" concept of end to end motor vehicle purchasing and servicing experience;
- By "modern luxury", the Applicant refers to an overall consumer experience which recognizes and rewards the value of the consumer's business and personal time and maximizes efficiencies when shopping for and servicing motor vehicles, including concierge services, customer office facilities, an on-site café, an on site indoor golf cage, on-site spa services, etc.
- Quantum Subsidiary's Canadian revenues have exceeded \$50,000,000 and its Canadian expenditures on marketing and promotion have consistently exceeded \$1,000,000 in each of the last four years preceding the date of his affidavit (i.e. 2013-2017);
- Quantum Subsidiary accomplishes its marketing and promotional initiatives in the following ways:

- Traditional word of mouth advertising
 - Traditional print advertising
 - Online and internet marketing and promotion
 - Social media
 - Marquee magazine
 - Numerous industry awards
- The Applicant is not a participant in the Opponent's automotive dealership financing plan.

PRELIMINARY ISSUE – OBJECTION TO PARAGRAPHS 9 AND 10 OF MR. GRAF'S EVIDENCE

[22] In both its oral and written argument, the Applicant's agent objected to paragraphs 9 and 10 of Mr. Graf's affidavit on the basis that these paragraphs are self-serving, contain inadmissible hearsay and are not opinions proffered by a qualified expert. The Applicant further submits that the statements made in paragraphs 9 and 10 of the Graf Affidavit are conclusions of law that are to be drawn by the Opposition Board from the evidence, and are not conclusions of law that are admissible from a layman such as Mr. Graf.

[23] Paragraphs 9 and 10 of Mr. Graf's affidavit read as follows:

[9] I am aware of the fact that Quantum Automotive Group Incorporation has filed an application in Canada covering the trademark Q Cars in association with [the Goods and Services]. I believe that Canadian users of services offered in association with one or more of MY COMPANY'S CAR-Q trademarks will mistakenly believe that services offered under the Q CARS trademark are in fact offered by or somehow endorsed by MY COMPANY.

[10] I note the Applicant is attempting to register its mark in association with services that *include leasing and renting, but not financing, of new and used motor vehicles namely, automobiles, trucks and motorcycles and providing information in the field of purchasing, ordering, leasing and renting, but not financing, vehicles, namely, providing information concerning pricing, leasing and rental rates, motor vehicle options, motor vehicle location and motor vehicle specifications, all in the field of motor vehicles*

namely, automobiles, trucks and motorcycles. I believe there to be no commercial distinction between the leasing and renting or providing information relating to leasing and renting and the type of services offered by MY COMPANY in association with its CAR-Q marks as all are involved with the monetary aspect of vehicle possession.

[24] I agree with the Applicant that both paragraphs 9 and 10 of Mr. Graf's affidavit should be disregarded. In this regard, I find that Mr. Graf has not qualified himself as an expert who can give his opinion on the likelihood of confusion between the parties' marks and the lack of distinction between the parties' services. As these are mixed questions of fact and law, they are to be determined by the Registrar.

ANALYSIS OF THE GROUNDS OF OPPOSITION

Section 30(a), 30(e) and 30(i) Grounds of Opposition

[25] The Opponent has not provided any evidence or submissions in support of its grounds of opposition based on sections 30(a) and 30(e) of the Act. As such, the Opponent has failed to meet its evidential burden with respect to these grounds of opposition and they are rejected.

[26] Under section 30(i), the Opponent has alleged the Applicant could not have been satisfied that it was entitled to use the Mark in Canada at the time of filing of the application because: i) the Applicant was aware of the Opponent's trademarks as supported by its involvement in an unsuccessful cancellation action of the Opponent's mark; ii) the Applicant's use of the Mark would have the effect of depreciating the value of the goodwill attached to the Opponent's registered CAR-Q & Design trademark contrary to section 22 of the Act, and iii) the Applicant could not have been satisfied it was entitled to use the mark since to do so would violate section 7 of the Act.

[27] Where an applicant has provided the statement required by section 30(i) in its application, a ground of opposition based upon this section should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [*Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. The Applicant has provided the necessary statement and the Opponent has not filed any evidence to demonstrate that this is an exceptional case. Further, the fact that the Applicant was involved in a section 45 proceeding against the Opponent's registered mark and was therefore aware of it does not in and of itself support an

allegation that an applicant could not have been satisfied of its entitlement to use a mark at the time that it filed its application [*Woot, Inc v WootRestaurants Inc Les Restaurants Woot Inc* 2012 TMOB 197].

[28] With respect to the remaining arguments under this ground, it is far from certain that the combination of section 30(i) with either section 7(b) or section 22 of the Act constitute valid grounds of opposition [*Euromed Restaurant Limited v Trilogy Properties Corporation*, 2012 TMOB 19 at para 13 citing *Parmalat Canada Inc v Sysco Corp* (2008), 2008 FC 1104 (CanLII), 69 CPR (4th) 349 (FC) at paras 38-42]. Even if I could assume these grounds are valid, the Opponent has not met its initial burden with respect to its allegation that the Applicant could not be satisfied it was entitled to use the Mark in view of these sections of the Act. Specifically, the Opponent has failed to adduce any evidence of a depreciation of goodwill of the Opponent's registered mark as required to show a violation of section 22 of the Act [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée, supra*, at paras 46 and 63 to 68]. Further, the Opponent has failed to adduce evidence of one of the elements required to show a violation of section 7(b) of the Act: deception of the public due to a misrepresentation [see the three elements set forth in *Ciba-Geigy Canada Ltd v Apotex Inc*, 1992 CanLII 33 (SCC), [1992] 3 SCR 120 at para 33 cited by *Pharmacommunications Holdings Inc v Avencia International Inc*, 2008 FC 828 at para 41].

[29] The section 30(i) ground of opposition is therefore also rejected.

ANALYSIS OF THE REMAINING GROUNDS OF OPPOSITION

[30] The sections 12(1)(d) (non-registrability); 16(3) (non-entitlement); and 38(2)(d) (non-distinctiveness under section 2 of the Act) grounds of opposition turn on the issue of the likelihood of confusion between the Mark and the Opponent's CAR-Q trademarks. As I consider the section 12(1)(d) ground of opposition to present the Opponent's strongest case and as in the circumstances of this case, it does not make any difference which material date is selected, I will assess the likelihood of confusion in the context of that ground. A determination of the issue of confusion under that ground will effectively decide the outcome of the sections 16(3) and 38(2)(d) grounds of opposition.

Section 12(1)(d) Ground of Opposition - Registrability

[31] The material date for this ground of opposition is the date of this decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trademarks* (1991), 37 CPR (3d) 413 (FCA)].

[32] The Opponent pleads that the Mark is not registrable because it is confusing with the Opponent's registration No. TMA650,913, CAR-Q & Design, shown below.



As noted above, the Opponent's mark is registered in association with the following services:

Financing services, namely, providing on-line applications to dealerships for the financing of automobiles; information services, namely, providing on-line information to dealerships relating to the status of an application; contract management services relating to financing of a vehicle.

[33] An opponent's initial evidential burden is met with respect to a section 12(1)(d) ground of opposition if the registration relied upon in the statement of opposition is in good standing as of the date of the decision. The Registrar has discretion to check the register in order to confirm the existence of a registration relied upon by an opponent [*Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. I have exercised the Registrar's discretion and have confirmed that the Opponent's registration remains in good standing. The Opponent has therefore met its initial evidential burden in respect of this ground. Accordingly, I must go on to determine whether the Applicant has met the legal onus upon it to establish that there is no likelihood of confusion between this mark and the applied for Mark.

Meaning of Confusion between Trademarks

[34] Trademarks are confusing when there is a reasonable likelihood of confusion within the meaning of section 6(2) of the Act:

The use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would be likely to lead to the inference that the goods or services . . . associated with those trademarks are manufactured . . . or performed by the same person, whether or not the goods or services . . . are of the same general class or appear in the same class of the Nice Classification.

[35] Thus, section 6(2) does not concern mistaking one mark for the other, but confusion of goods or services from one source as being from another source. In the instant case, the question posed by section 6(2) is whether purchasers of the goods or services sold under the Mark Q Cars would believe that those goods or services were produced or authorized or licensed by the Opponent who sells its services under the CAR-Q & Design trademark.

Test for Confusion

[36] The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are “all the surrounding circumstances including” those specifically mentioned in sections 6(5)(a) to 6(5)(e) of the Act: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the goods, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive and all relevant factors are to be considered. Further, all factors do not necessarily have equal weight as the weight to be given to each depends on the circumstances [*Gainers Inc v Tammy L. Marchildon and The Registrar of Trademarks* (1996), 66 CPR(3d) 308 (FCTD)]. However, as noted by Mr. Justice Rothstein in *Masterpiece Inc v Alavida Lifestyles Inc.* (2011), 92 CPR(4th) 361 (SCC), although the degree of resemblance is the last factor cited in section 6(5), it is the statutory factor that is often likely to have the greatest effect in deciding the issue of confusion.

Section 6(5)(a) – the inherent distinctiveness of the marks at issue and the extent to which they have become known

[37] As both parties' marks comprise an alphabetic letter with a common dictionary word which is suggestive of the associated goods and services, neither party's mark is inherently strong. I do consider the Opponent's mark to possess a slightly higher degree of inherent distinctiveness than the Applicant's Mark, however, because of its somewhat distinctive design comprised of differing sized letters, the maple leaf imagery and the pronounced black background.

[38] With respect to the extent to which the marks have become known, the Applicant made the following objections to the Opponent's evidence of use:

- the Opponent did not include particulars of dealings with dealerships, sample financing applications, and contracts or web based analytics to demonstrate that dealers do view and use the services associated with the Opponent's marks;
- the evidence does not show how the Opponent's applications and contracts are completed, filled out and managed;
- while the dealer guides show how the Opponent advertises its services, there is no evidence that the Opponent performs or was able to perform these services;
- the evidence does not include any invoices or statement of revenue nor any marketing or promotional expenses;
- the evidence does not explain what fees, if any, are charged for the loans; and
- Mr. Graf's statement about the growth of loan originations and applications between 2012 and 2016 does not describe the fees charged by the Opponent or what the Opponent's revenue has been in any of the years since 2004.

[39] I agree with the Applicant that the Graf affidavit is not without deficiencies. That being said, while the applications and contracts themselves are not represented in the evidence, the

dealer guides do advertise the Opponent's services in association with its mark. Further, Mr. Graf explains on cross-examination that the reason he did not include any dealers guides dated between 2012 and 2016 was because his company no longer puts out as much content in the dealer guides so as not to allow their competitors to see their programs as openly. The Opponent's mark also appears on the Opponent's website, where automotive dealers which have purchased CAR-Q services are able to gain access to software applications and information offered as part of these services through an online portal on the Opponent's website by clicking on the CAR-Q trademark which appears on the right side of the home page. This evidence, along with Mr. Graf's testimony at paragraph 7 of his affidavit about the Opponent receiving and adjudicating approximately 25,000 inbound credit applications per month from the nearly 3,000 dealers that use the Opponent's finance products, is sufficient in my view to show that the Opponent's mark has become known to some extent in Canada. As the Applicant has not shown any use of its proposed use Mark since the filing date of its application, this factor overall favours the Opponent.

Section 6(5)(b) – the length of time the trademarks have been in use

[40] The Applicant maintains that while the dealer guides may advertise the services that the Opponent offers, there is no evidence that the Opponent performs or is able to perform its services in association with its mark. However, the jurisprudence has held that as long as the evidence shows that the services are available to be performed, this can be considered sufficient for the purposes of showing use pursuant to section 4(2) of the Act [*Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20]. I am satisfied from the evidence furnished that the services were offered to prospective automotive dealers in Canada and were available to be performed in Canada.

[41] I therefore find that the Opponent has shown use of its mark in association with its services for several years.

[42] As the Applicant has not provided any evidence of use of its Mark in Canada, and the Opponent has provided some evidence of use of its mark in association with its services, this factor favours the Opponent.

Section 6(5)(c) – the nature of the goods, services or business

[43] It is the statement of the goods in the application and the statement of goods in the registration that must be taken into consideration when assessing the factors set forth at section 6(5)(c) and (d) of the Act [*Mr. Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA) and *Miss Universe Inc v Bohna* (1994), 58 CPR (3d) 381 (FCA)]. However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. [*McDonald's Corp v Coffee Hut Stores Ltd* (1996), 1996 CanLII 3963 (FCA), 68 CPR (3d) 168 (FCA); *Procter & Gamble Inc v Hunter Packaging Ltd* (1999), 2 CPR (4th) 266 (TMOB); *American Optical Corp v Alcon Pharmaceuticals Ltd* (2000), 5 CPR (4th) 110 (TMOB)].

[44] For ease of reference, the Opponent's mark is registered in association with the following services:

Financing services, namely, providing on-line applications to dealerships for the financing of automobiles; information services, namely, providing on-line information to dealerships relating to the status of an application; contract management services relating to financing of a vehicle.

[45] I agree with the Applicant that from a review of Mr. Graf's testimony on cross-examination at Q. 146, as well as the Opponent's written submissions (particularly at paragraph 62), the Opponent's main concern in this opposition is the alleged confusion between the marks with respect to the following applied for services:

- Leasing and renting, but not financing, of new and used motor vehicles namely, automobiles, trucks and motorcycles
- Providing information relating to leasing and renting...but not financing

[46] As I do not find that the Opponent's services overlap with any of the remaining applied for goods and services, I will focus my discussion on these services.

[47] The Opponent's arguments with respect to this issue may be summarized as follows:

- both parties' services relate to automobile sales and the monetary aspect of vehicle possession;
- there is no commercial distinction between leasing and renting or providing information relating to leasing and renting;
- there is little or no distinction between leasing and financing as both are a business structure for financing and fall under the umbrella of use of the automobile asset;
- the Applicant facilitates the provision of financing services to its customers through, for example, Mercedes-Benz Financial Services, and therefore there is a very real danger of overlap between the parties' activities; and
- the Opponent could and has looked into modifying the delivery of its services such that the customer can have direct application access either through the Opponent or through another online source; it is a natural extension of the Opponent's business to offer its services to the same customers to whom the Applicant currently offers its services, and vice versa.

[48] The Applicant, on the other hand, has raised the following points:

- the Opponent's services as registered are restricted to dealerships while the Applicant offers its services to the individual customer; in this regard, it is the dealership who fills out the online application for credit approval – not the customer;
- dealerships have to be registered with the Opponent to get into the Opponent's portal;
- in a response to an undertaking, the Opponent confirms that the Applicant is not a dealer customer of the Opponent;
- the Applicant has restricted many of its services to not include financing; and
- customers of the Applicant's and its licensee's automotive dealership obtain their financing from their personal financial resources, through family members, through their employers and businesses, through their own financial institutions, or through Mercedes-

Benz Financial Services; leasing options are also available through Mercedes-Benz Financial Services.

[49] In my view, while the parties' services both relate to the monetary aspect of vehicle possession, the parties' channels of trade are more different than they are alike for a number of reasons. First, while the Opponent submits that it would be a natural extension of its business to offer its services to the same customers as the Applicant, its statement of services restricts its services to be offered only to dealerships. As noted above, it is the statement of services as registered that must be taken into consideration when assessing the factors set out in sections s6(5)(c) and (d) of the Act.

[50] Further, the evidence shows that the Opponent's business provides, through dealerships, loans to vehicle purchasers in Canada who do not fit conventional lender criteria for the acceptance of such loans. The Applicant, on the other hand, is a trader in high end motor vehicle goods and services who has implemented a modern luxury concept of motor vehicle purchasing and servicing. The Applicant's services offered in association with the Mark Q Cars would not assess the customer's ability to pay as the Applicant has restricted its leasing and renting and related services to not include financing.

[51] Finally, the evidence shows that the Applicant is not a dealer customer of the Opponent. While the Applicant's customers can obtain their financing through other means including through, for example, Mercedes-Benz Financial Services, these services would not be offered in association with the Mark as applied for.

[52] These factors therefore favour the Applicant.

Section 6(5)(e) – the degree of resemblance between the trademarks in appearance or sound or in the ideas suggested by them

[53] In *Masterpiece Inc v Alavida Lifestyles Inc*, *supra*, the Supreme Court of Canada clearly indicated that the most important factor amongst those listed under section 6(5) of the Act is often the degree of resemblance between the parties' trademarks [*Beverley Bedding & Upholstery Co v Regal Bedding & Upholstering Ltd* (1980), 47 CPR (2d) 145 (FC), at 149,

affirmed (1982), 60 CPR (2d) 70 (FCA)]. The Supreme Court also observed that even though the first word of a trademark may be the most important, for the purpose of distinctiveness [*Conde Nast Publications Inc v Union des éditions modernes* (1979), 46 CPR (2d) 183 (FCTD)], the preferable approach when comparing marks is to begin by determining whether there is an aspect of the trademark that is particularly striking or unique.

[54] In its written argument, the Opponent submits that the marks share components that are virtually identical, the component CAR or CARS and the letter Q. The Opponent further submits that the marks would be considered to convey the identical meaning, in that the terms CAR and CARS would conjure the same idea, with the placement of the letter Q adding insignificant differentiation between the marks, especially when the concept of first impression and imperfect recollection is applied. The Opponent considers this case analogous to the decision in *Parmalat Food Inc. v. Ingredia*, 2004 CanLII 71773 (CA TMOB) (*Parmalat*), wherein the Registrar found that there was a likelihood of confusion between the marks PROMILK and MILKPRO.

[55] The Parmalat case can be distinguished from the present case because in that case, the word PRO was recognized as meaning one thing, i.e. an abbreviation for the word professional). That is not the case here.

[56] Further, I am of the view that in this case, it is the whole of both parties' trademarks that is striking or unique. In other words, I do not find that any one part or syllable stands out from others in either of the parties' marks. I agree with the Applicant that there is no reason in this case to determine that the parties' marks should be dissected in such a way so as to conclude that the Q or CAR/CARS component of each is the dominant or striking component so as to give rise to any significant degree of resemblance. Rather, it is the entirety of each of CAR-Q & Design and Q Cars that gives the marks their particular uniqueness or "flavor" [*Jacques Vert Group Limited v YM Inc (Sales)*, 2014 FC 1242 at 47-48].

[57] In my view, when considered in their entirety, the marks are fairly similar visually and when sounded because both include the alphabetic letter Q and the word Car or CARS. The marks differ significantly, however, in terms of their suggested idea. In this regard, I agree with the Applicant that the Opponent's mark, CAR-Q, suggests a degree of automobile intelligence,

whereas the Applicant's Mark, Q Cars, has no suggested meaning other than an extension of the Applicant's Q family of trademarks, which will be discussed in more detail below.

Surrounding Circumstances

Applicant's Family of Marks

[58] As a surrounding circumstance with respect to the issue of confusion, the Applicant has relied upon the use of an alleged family of QUANTUM and Q trademarks, particulars of which are set out in Schedule B to this decision.

[59] It is trite law that section 19 of the Act does not give the owner of a registration the automatic right to obtain any further registrations no matter how closely they may be related to the original registration [*Coronet-Werke Heinrich Schlerf GmbH v Produits Menagers Coronet Inc*, 4 CPR (3d) 108 (TMOB); *Groupe Lavo Inc v Proctor & Gamble Inc*, 32 CPR (3d) 533 (TMOB)]. Having said that, it has also been held that if an applicant owns a family of trademarks containing an element in common with an applied-for mark, this will be a factor that decreases the likelihood of confusion. That is, where an applicant owns such a family of marks, ordinary consumers familiar with those marks will recognize that the applied-for mark is an addition to the applicant's family of marks [*Vibe Ventures LLC v CTV Ltd*, 2010 TMOB 166 at para 70; and *Quo Vadis International Ltee v MeadWestvaco Corp*, 2010 TMOB 207 at paras 44-51].

[60] The Applicant submits that such is the case here. More particularly, the Applicant submits that since it has established the existence of a family of QUANTUM and Q trademarks for overlapping goods and services, it follows that consumers would be more likely to assume that a new word mark that sounds similar and suggests a similar idea for similar goods and services belongs to the Applicant as opposed to the Opponent.

[61] I am satisfied from the evidence furnished that the Applicant has a strong reputation in its family of Q formative marks, given its extensive sales, and advertising and promotion in association with these trademarks in Canada since at least 2012. In this regard, I refer to the following evidence from the Szekely affidavit:-

- The Applicant itself and through its predecessors-in-title and current licensees have carried on the business of a trader in high end motor vehicle goods and services in Canada since 2012;
- In addition to traditional motor vehicle dealer and related services, the Applicant and its licensees have been industry leaders in Canada in the conceptualization and implementation of the flagship Modern Luxury concept of the end-to-end motor vehicle purchasing and servicing experience;
- Customers may have their motor vehicles serviced, detailed, or upgraded or the performance of those vehicles enhanced under, for example, goods and services offered under or associated with the Applicant's Q, Q AUTO, Q AUTO SPA, Q AUTO WASH, Q DETAILING, Q SERVICE, Q TINT, Q GLASS, Q AESTHETICS, Q AUTO AESTHETICS, Q PERFORMANCE, Q PERFORMANCE PARTS;
- Customers and others may enjoy a light and health conscious meal at the Applicant and its licensee's on-site Q CAFE while their vehicles are being prepared or serviced;
- Customers and others may enjoy the Applicant and its licensee's on-site Q SPA health spa services including massages and beauty and rejuvenation treatments, while their vehicles are being prepared or serviced;
- The Applicant's Canadian revenues have exceeded \$50,000,000.00 and its Canadian expenditures on marketing and promotion have consistently exceeded \$1,000,000.00 in each of the four years prior to 2017, and these figures have been understated to preserve confidentiality; and
- Examples of the Applicant's promotion and advertising activities under its QUANTUM and Q family of trademarks include; word of mouth, newspaper and electronic print, internet based marketing, social media and through its Marquee magazine.

[62] In view of the evidence furnished I am satisfied that there is considerable support for the Applicant's submission that the average consumer of automobile related services might recognize the Mark as an addition to the Applicant's family of Q formative marks. I therefore

accept that a reputation established for the more distinctive component of the Mark, the letter Q in association with automobile related services, is of assistance in distinguishing the source of the services associated with the Mark, especially in a case such as this where one is dealing with otherwise inherently weak marks [*iRemit Incorporated v ABS-CBN Global Remittance Inc*, 2016 TMOB 65 (CanLii)].

File History for Application No. 1585858 and Section 37(3) Notice

[63] In its written argument, the Opponent submits that the file history for the Mark shows two relevant surrounding circumstances.

[64] First, the Opponent submits that upon examination of the Mark the Trademarks Office issued an objection on the basis that the mark was considered to be confusing with the Opponent's registration for its CAR-Q & Design trademark. The Applicant had initiated unsuccessful summary cancellation proceedings against the registration and thereafter responded to the official action by revising the specification of services to not include financing.

[65] Second, the Opponent submits that the application was accepted with a notice under section 37(3) of the Act informing the Opponent of the publication of the Mark. The Opponent submits that the issuance of the section 37(3) notice informed both the Applicant and the Opponent that the Registrar "entertained doubts about the likelihood of confusion between the Mark and the Opponent's trademark".

[66] It is well established that a decision by an Examiner of the Canadian Intellectual Property Office has no precedential value for the Opposition Board because both the onus and evidence before an Examiner differs from that before the Opposition Board [*Thomas J Lipton Inc v Boyd Coffee Co* (1991), 40 CPR (3d) 272 (TMOB) at 277 and *Procter & Gamble Inc v Morlee Corp* (1993), 48 CPR (3d) 377 (TMOB) at 386]. I must come to a decision based solely on the evidence of record in the subject opposition proceeding. Accordingly, I do not consider the examination history, nor the issuance of a section 37(3) notice, to be relevant surrounding circumstances.

Conclusion

[67] As indicated above, the test for confusion is whether someone who has an imperfect recollection of the Opponent's CAR-Q & Design trademark might conclude upon seeing the Applicant's Q Cars Mark as a matter of first impression that the source of the Opponent's services and that of the Applicant are either the same or somehow related.

[68] Having carefully considered all the surrounding circumstances, I find that the Applicant has met its legal burden to show that there was no reasonable likelihood of confusion between the Mark and the Opponent's mark as of today's date. I reach this conclusion in view of the following: the fact that the Opponent's CAR-Q trademark is a relatively weak mark and the evidence is insufficient to afford it a greater scope of protection, the existence of the family of Q trademarks that have been used by the Applicant to a significant extent in association with various automobile related services, the differences between the parties' channels of trade and the differences in the ideas suggested between the marks. As noted in *Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA), where the Opponent has a weak mark small differences should be sufficient to avoid the likelihood of confusion. This ground of opposition is therefore unsuccessful.

Section 16(3) Ground of Opposition – Non-entitlement

[69] In order to meet its evidentiary burden with respect to its section 16(3) ground of opposition, the Opponent had to show that as of the date of filing of the Applicant's application, one of its CAR-Q trademarks had been previously used in Canada and had not been abandoned as of the date of advertisement of the Applicant's application [section 16(5) of the Act].

[70] I do not find it necessary to determine whether the Opponent has met its evidentiary burden with respect to its section 16(3) grounds of opposition.

[71] Indeed, even if I were to assume that the Opponent has met its evidentiary burden with respect to these grounds of opposition, the difference in relevant dates would not affect my analysis above under the section 12(1)(d) ground of opposition. In other words, I would still find that the Applicant has discharged its legal onus of establishing that there was no reasonable

likelihood of confusion between the Mark and either of the Opponent's trademarks in association with the Opponent's services at the filing date of the Applicant's application.

[72] Accordingly, the non-entitlement ground of opposition is also rejected.

Section 2 Ground – Non-Distinctiveness

[73] In order to meet its evidentiary burden with respect to the non-distinctiveness ground of opposition, the Opponent had to show that as of the filing date of the opposition its trademark had a substantial, significant or sufficient reputation in Canada in association with its alleged footwear so as to negate the distinctiveness of the Mark [*Motel 6, Inc v No 6 Motel Ltd* (1981), 1981 CanLII 2834 (FC), 56 CPR (2d) 44 (FCTD); and *Bojangles' International, LLC and Bojangles Restaurants Inc v Bojangles Café Ltd*, 2006 FC 657, 48 CPR (4th) 427].

[74] I do not find it necessary to determine whether the Opponent has met its evidentiary burden with respect to this ground of opposition.

[75] Indeed, even if I were to assume that the Opponent has met its evidentiary burden with respect to this ground of opposition, the difference in relevant dates would not affect my analysis above under the section 12(1)(d) ground of opposition. In other words, I would still find that the Applicant has discharged its legal onus of establishing that there was no reasonable likelihood of confusion between the Mark in association with the Goods and Services and the Opponent's trademarks in association with the Opponent's services at the filing date of the opposition.

[76] Accordingly, the non-distinctiveness ground of opposition is also rejected.

DISPOSITION

[77] In view of the foregoing and pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(12) of the Act.

Cindy R. Folz
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

SCHEDULE A

Goods

- (1) Automotive tires;
- (2) Automotive wheels, lug nuts and hub caps;
- (3) Beverage containers, namely, mugs, travel mugs, cups, glasses, sports bottles namely, insulated and uninsulated portable glass, plastic and metallic drink containers for use during sport and athletic activity;
- (4) Clothing, namely, T-shirts, tank tops, sweat shirts, sweat pants, sweat suits: yoga pants, leotards, tights, shorts, sports bras, sweaters, hats, caps, bandanas, sweat bands, golf shirts, denim shirts, jerseys, jackets, windbreakers, parkas, raincoats and gloves; shoes and swimwear namely, bathing suits, swimsuits, sarongs, cover-ups and pullovers;
- (5) Pocket, wall and hand mirrors;
- (6) Paper and cloth towels;
- (7) Floor mats for residences and businesses; doormats for residences and businesses; and floor mats, luggage mats and trunk mats for motor vehicles;
- (8) Paper and cloth napkins;
- (9) Ashtrays, matches, lighters, bottle cap openers, cork screws, key fobs, flashlights, plates and dishes, cutlery, serving bowls and coasters;
- (10) Printed and electronic publications, namely periodical publications, magazines, brochures, books, booklets, pamphlets, printed guides, catalogues, programs and photographs;
- (11) 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; unframed art prints and framed art prints; gift boxes namely, empty cardboard, wood and plastic boxes in which gifts may be packaged; 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; and

(12) Jewellery; watches and clocks; candlesticks; napkin rings; belt buckles; serving trays; jewellery 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 namely, automobile, truck and motorcycle dealerships;

(2) The business of purchasing and selling, but not financing, motor vehicles namely, automobiles, trucks and motorcycles;

(3) Leasing and renting, but not financing, of new and used motor vehicles namely, automobiles, trucks and motorcycles; motor vehicle namely, automobile, truck and motorcycle fleet leasing but not financing;

(4) The business of underwriting and selling extended warranties for new and used motor vehicles namely, automobiles, trucks and motorcycles;

(5) Business services, namely, offering motor vehicle namely, automobile, truck and motorcycle parts for sale; troubleshooting and maintenance services in the field of motor vehicles namely, automobiles, trucks and motorcycles; on-line ordering services offering motor vehicles namely, automobiles, trucks and motorcycles to the purchaser's and leasee's specifications; providing information in the field of purchasing, ordering, leasing and renting, but not financing, vehicles, namely, providing information concerning pricing, leasing and rental rates, motor vehicle

options, motor vehicle location and motor vehicle specifications, all in the field of motor vehicles namely, automobiles, trucks and motorcycles;

(6) The operation of motor vehicle namely, automobile, truck and motorcycle clubs;

(7) The provision of motor vehicle namely, automobile, truck and motorcycle and motor vehicle tire inspection services;

(8) The cleaning, detailing, polishing, painting, tinting, replacement, repair and maintenance of automobile glass, headlights, break lights, running lights and courtesy lights;

(9) The cleaning, detailing, polishing, painting, repair, refurbishing and maintenance of motor vehicles namely, automobiles, trucks and motorcycles, wheels, lug nuts, hubcaps and motor vehicle tires; automobile valet and delivery services namely, the pick-up, delivery and parking of automobiles in accordance with customer time and location specifications; the provision and rental of courtesy motor vehicles namely, automobiles, trucks and motorcycles; motor vehicle namely, automobile, truck and motorcycle and motor vehicle tire storage.

SCHEDULE B

QUANTUM and Q Family of Trademarks

TRADEMARK	APPLICATION/REGISTRATION NUMBER
QUANTUM AUTOMOTIVE GROUP	TMA847,624
QUANTUM	TMA847634
QUANTUM AUTO SPA	TMA903259
Q AUTO	TMA911111
Q Cars	Application No. 1585858
Q Café	TMA892615
Q SPA	TMA903260
Q SPA (& Design)	TMA903262
Q WHEELS	TMA896163
Q THEATRE	TMA896165
Q AUTO SPA CA	TMA911114
Q AUTO AESTHETICS	TMA910405
Q AUTOHOTEL	TMA903270
Q DETAILING	TMA903274

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

HEARING DATE 2020-06-10

APPEARANCES

No one appearing	For the Opponent
Mr. Stephen I. Selznick	For the Applicant

AGENTS OF RECORD

Marks & Clerk	For the Opponent
Cassels Brock & Blackwell LLP	For the Applicant