



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 225

Date of Decision: 2022-11-18

IN THE MATTER OF AN OPPOSITION

Opponent: 2042923 Ontario Inc.

Applicant: Travel Leaders Group, LLC

Application: 1,789,271 for TL NETWORK & Design

INTRODUCTION

[1] On June 29, 2016, Travel Leaders Group, LLC (the Applicant) filed an application to register the trademark TL NETWORK & Design (the Mark) set out below:



[2] The Mark includes a disclaimer to the 11 point maple leaf and the following colour claim:

Colour is claimed as a feature of the trade-mark. The colours red, orange and black are claimed as a feature of the mark. The colour red is applied to the maple leaf

design and the right side of the arrow. The colour orange is applied to the left side of the arrow. The words "TL" and "NETWORK" appear in black.

[3] The application for the Mark is for use in association with the Services below and is based on the Applicant's proposed use.

Nice Class	Services
39	(1) Travel agency services, namely, travel booking agencies; travel information services; making reservations and bookings of seats for travel; arranging and conducting travel tours and vacation packages; arranging air, land, namely bus and passenger train, and sea transportation for individuals and groups; coordinating travel arrangements for individuals and for groups; organizing packaged vacation and travel tours; car rental reservation services
43	(2) Travel agency services, namely, making reservations and booking for temporary lodging; making reservations and bookings for restaurants and meals

[4] On October 27, 2017, 2042923 Ontario Inc. (the Opponent) filed a statement of opposition against the application pursuant to section 38 of the *Trademarks Act*, RSC 1985, c. T-13 (the Act). The Act was amended on June 17, 2019. All references herein 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 (see section 70 of the Act which provides that section 38(2) of the Act, as it read prior to June 17, 2019, applies to applications advertised before that date).

[5] The Applicant filed and served a counter statement in which it denied the Opponent's allegations.

[6] In support of its opposition, the Opponent submitted an affidavit of Amin Saleh, the General Manager of the Opponent. Mr. Saleh was cross-examined. The Applicant submitted the affidavits of Stephen McGillivray, the Chief Marketing Officer of the

Applicant and Jon L. Purther, a survey expert. Mr. McGillivray was cross-examined. Mr. Puther was not cross-examined, nor did the Opponent make any submissions on his evidence. Leave was also granted for the filing of a further affidavit of Mr. Saleh.

GROUNDS OF OPPOSITION

[7] Briefly stated, the grounds of opposition are:

- a. The Mark is not registrable in view of section 12(1)(d) of the Act as it is confusing with the Opponent's registration for TRAVEL LEADERS (registration No. TMA790,523). This registration covers the following services:

(1) Travel agency services, namely: travel booking and travel information services; making reservations and booking for travel and transportation; arranging for travel insurance; arranging travel tours and packages; arranging air, land and sea transportation for individuals and groups; coordinating travel arrangements for individuals and groups; organizing packaged vacations, travel tours; car rental reservation services, special events ,and making reservations and booking for temporary lodgings and for restaurants and meals.

- b. Pursuant to section 16, the Applicant is not the person entitled to registration because the Mark was confusing with the Opponent's TRAVEL LEADERS trademark and trade name and previously filed application for this trademark.
- c. Pursuant to section 2, the Mark is not distinctive because it is not adopted to distinguish the Services from the services of the Opponent since the letters TL are known to be an acronym for the words travel leaders.

[8] Each of the grounds of opposition turns on the issue of confusion. The material dates to assess the issue of confusion are the date of my decision with respect to the section 12(1)(d) ground; the date of filing the application (June 29, 2016) with respect to the entitlement grounds; and the date of opposition (October 27, 2017) with respect to the distinctiveness grounds: for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v Canadian Retired Persons* (1998), 84 CPR (3d) 198 at 206 - 209 (FCTD). In the circumstances of this case,

nothing turns on whether the issue of confusion is assessed at a particular material date.

THE PARTIES

[9] The Opponent is a travel agency operating in Milton, Ontario and has offered travel agency services since 2005 (Saleh affidavit, paras 7-8).

[10] The Applicant is the largest travel agency consortium in America, offering travel agency services to leisure and corporate clients through more than 7,000 company owned, franchised or affiliated travel agencies throughout the United States, United Kingdom, Ireland, Australia and Canada (McGillivray Affidavit, para. 3). The trade name and mark TRAVELEADERS was first adopted in the United States by the predecessor of the Applicant in 2001 (McGillivray Affidavit, para. 9). The Applicant began offering its Services using the Mark in 2017, as a way to distinguish the Canadian arm of TL Group and its affiliates (McGillivray Affidavit, paras. 20-22).

PRELIMINARY ISSUE: VALIDITY OF REGISTRATION IS NOT IN ISSUE

[11] The Applicant submits that the Opponent no longer uses its trademark and its evidence cannot support a finding that the trademark has been used in several years. While the extent that a trademark has been used is relevant in a confusion analysis, the validity of a registration relied on by an opponent is not in issue in opposition proceedings [*Sunshine Biscuits, Inc. v Corporate Foods Ltd.* (1982), 61 CPR (2d) 53 at 61 (FCTD)].

PRELIMINARY ISSUE: MARK IS USED WITH TRAVEL LEADERS

[12] The evidence is that the Applicant uses the Mark along with the trade name Travel Leaders. For example, Exhibit B to the McGillivray affidavit is the Applicant's 2017 Marketing Opportunities brochure for TL NETWORK affiliates which includes the copyright notice © 2016 Travel Leaders Group. Mr. Saleh also provides several examples of TL NETWORK affiliates whose webpages include Travel Leaders or Traveleaders on them (see, for example, Exhibits 10-12). Email correspondence to the

Applicant's affiliates also includes the trade name Travel Leaders Network (Saleh affidavit, Exhibit 1).

[13] Even if the Opponent is correct in its assertion that the Applicant and/or its affiliates use TRAVEL LEADERS and TL NETWORK together or interchangeably, the issue of confusion is to be decided with respect to the trademark as applied for, not as actually used [*PEI Licensing Inc v Disney Online Studios Canada Inc*, 2012 TMOB 49]. While the use of Travel Leaders flagged by the Opponent may be germane to an action for passing-off or infringement, it is not particularly relevant in assessing the issue of confusion in this proceeding between the Mark and the Opponent's TRAVEL LEADERS trademark.

ONUS

[14] An 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 an 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 Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

GROUND OF OPPOSITION BASED ON CONFUSION

[15] With the exception of the section 16(3)(c) ground of opposition which is based on an allegation of confusion between the Mark and the Opponent's trade name, the grounds of opposition are based on allegations of confusion between the Mark and the Opponent's trademark TRAVEL LEADERS.

[16] I have exercised my discretion to check the Register and confirm that the registration relied on by the Opponent remains extant [*Quaker Oats Co Ltd of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. The Opponent has therefore met its initial evidential burden with respect to this ground of opposition. As a result, the Applicant bears the legal burden of demonstrating on a balance of

probabilities that there is no likelihood of confusion between the Mark and this trademark.

When Are Trademarks Confusing?

[17] 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...

[18] Section 6(2) does not concern the confusion of the marks themselves, 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 Applicant's travel agency services would believe that those services were sold, performed, authorized or licensed by the Opponent who sells its travel agency services under the trademark TRAVEL LEADERS. The legal onus is on the Applicant to show, on a balance of probabilities, that there would be no reasonable likelihood of confusion.

Test for Confusion

[19] 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 section 6(5)(a) to section 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; and the degree of resemblance including 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 Trade-marks* (1996), 66 CPR (3d) 308 (FCTD)]. However, as noted by Mr. Justice Rothstein in *Masterpiece Inc. v Alavida Lifestyles Inc.* 2011 SCC 27, 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.

Consideration of Section 6(5) Factors

Inherent and Acquired Distinctiveness / Length of Time in Use

[20] The Opponent's trademark TRAVEL LEADERS has a very low degree of inherent distinctiveness as it consists of one laudatory and one descriptive word.

[21] The Opponent's evidence fails to show that the trademark TRAVEL LEADERS had any significant degree of acquired distinctiveness at the material dates. The Opponent's evidence is that it began using the TRAVEL LEADERS trademark in 2005 (Saleh affidavit, para 7) and it operates out of a single office in Milton, Ontario (para 8). The Opponent's evidence regarding advertising is limited. The financial statements indicate advertising and promotion spend of \$1328 and \$589 in 2016 and 2015 (Exhibit M). The Opponent also includes a picture of signage with the trademark TRAVEL LEADERS in a window at its premises (Exhibit I). The TRAVEL LEADERS trademark also appears on invoices and emails concerning travel details (Exhibit O). On cross-examination, Mr. Saleh confirmed that some of the sample invoices provided were to friends, family and former agents (Saleh cross-examination, Qs 10-23, Exhibit 2, Qs 419- 440). The financial statements for the Travel Leaders business shows gross commissions earned per year – ranged from over \$150,000 in 2016 to over \$1M in each of the years 2010-2012 (Exhibit M).

[22] My finding that the trademark TRAVEL LEADERS had not acquired a significant degree of acquired distinctiveness is consistent with Mr. Purther's evidence of survey results showing that around 2 percent of the people surveyed near the Opponent's travel agency were aware of it. This was the same level of awareness as the awareness of a travel agency with a fictitious name (VOYAGE MASTERS).

[23] The Mark likewise has a limited degree of inherent distinctiveness as it consists of the letters TL and the descriptive NETWORK although the design elements add a degree of distinctiveness. While the Applicant's evidence shows use of the Mark as of

2017 in a marketing brochure which states that it has “700 locations” in Canada (McGillivray affidavit, Exhibit B), the extent of use is unclear since the evidence is that these locations are considered affiliates of the TL Network in Canada and bear their own names (McGillivray affidavit, para 7).

[24] As such, while the length of time in use favours the Opponent, the extent of inherent and acquired distinctiveness favours neither party.

Nature of the Services, Business and Trade

[25] The parties’ services as described in the Opponent’s registration and the Applicant’s application are nearly identical in that both describe travel agency and reservation services. While the Applicant submits that it is not engaged directly with consumers in offering travel services to the general public, the application has not been so restricted. Furthermore, the evidence is that some of the Applicant’s affiliates use the Mark in their advertising suggesting that the general public is exposed to the Mark (Saleh affidavit, Exhibits 10,12). Although the printouts of the websites of the Applicant’s affiliates is hearsay, I accept this evidence since it was necessary for the Opponent to file them and they are reliable since the Applicant, being a party, has the opportunity to refute the evidence.

Degree of Resemblance

[26] I do not find a strong degree of resemblance between the trademarks in appearance or sound. The differences between TRAVEL LEADERS and the Mark, with TL being the most striking component of the applied-for trademark, are sufficiently different that the degree of resemblance is not particularly strong.

[27] With respect to the ideas suggested by the trademarks, the Opponent submits that TL in the Mark means TRAVEL LEADERS. However, the required assessment relates to how the consumer will perceive the Mark, not to the owner’s intention in choosing the Mark [*Responsive Brands Inc v 2248003 Ontario Inc*, 2016 FC 355 at para 49]. There is limited evidence on what meaning TL would convey to consumers separate from the Applicant’s use of the Travel Leaders Group and Travel Leaders

Network trade names. If TL had become known as an acronym for TRAVEL LEADERS, the Opponent was required to establish this meaning through evidence.

Evidence of Actual Confusion

[28] Reverse confusion, in which consumers seeing the trademark of a senior user believe it to come from a junior user, meets the definition of confusion under section 6(2) of the Act [*Aquasmart Technologies Inc. v Klassen*, 2011 FC 212]. The fact that different people have contacted the Opponent when they intended to contact the Applicant is circumstantial evidence that there may be confusion as between the source of the parties' services occurring. However, I do not find this assists the Opponent in this case as it appears that confusion is resulting from the use of TRAVEL LEADERS by both parties as opposed to the use of the Mark by the Applicant. For example, the email from John Dunphy, a travel agent who appears to be having difficulty receiving a refund from the Applicant and loops in the Opponent requests "Cancel Membership Customer #95315 in Travel Leaders" with the Applicant's initial reply references the trade name "Travel Leaders Network" (Saleh affidavit, Exhibit 1).

CONCLUSION

[29] Considering all of the surrounding circumstances, I conclude that the Applicant has satisfied its burden to prove, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's registered trademark TRAVEL LEADERS. I reach this conclusion despite the fact that the Opponent commenced use of its trademark in 2005 and the parties' services are largely identical, as there are significant differences in the marks in appearance, sound and ideas suggested.

[30] As I have found that the Mark is not confusing with the Opponent's trademark TRAVEL LEADERS at all material times, I do not find it necessary to assess to what extent and with what services the Opponent has met its evidential burden with respect to its grounds of opposition based on section 16(3)(a) or 2 of the Act. As such, I will not address the Applicant's submissions that the Opponent had abandoned its trademark TRAVEL LEADERS prior to the application being filed.

No Reasonable Likelihood of Confusion with the Trade Name Travel Leaders

[31] With respect to the section 16(3)(c) ground of opposition based on the Opponent's prior use of the trade name TRAVEL LEADERS, I find that this ground of opposition fails for the same reasons as with the section 12(1)(d) ground of opposition.

Opponent Fails to Meet its Evidential Burden with Respect to the Section 16(3)(b) Ground of Opposition

[32] With respect to the section 16(3)(b) ground of opposition, the Opponent fails to meet its burden as its application for the trademark TRAVEL LEADERS was registered and as such was not pending at the Mark's advertisement date.

DISPOSITION

[33] 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.

Natalie de Paulsen
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: June 1, 2022

APPEARANCES

For the Applicant: May M. Cheng

For the Opponent: Samuel R. Baker

AGENTS OF RECORD

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