

Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2024 TMOB 36

Date of Decision: 2024-02-29

IN THE MATTER OF AN OPPOSITION

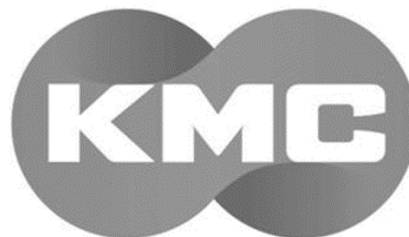
Opponent: Wheel Pros, LLC.

Applicant: KMC Chain Industrial Co., Ltd.

Application: 1,889,156 for KMC & Design

INTRODUCTION

[1] KMC Chain Industrial Co., Ltd. (the Applicant) has applied to register the trademark KMC & Design (the Mark), shown below:



[2] The Mark is applied for in association with the following goods (the Applicant's Goods):

(1) Roller chains for motorcycles and motorbikes; parts and accessories of bicycles, namely, bicycle chains, bicycle sprockets, bicycle gears, transmission shafts for bicycles, bicycle belts, bicycle pulleys, tensioners for bicycles, chain guide rails for bicycles; parts and accessories of motorcycles, namely, motorcycle chains

[3] Wheel Pros, LLC. (the Opponent) opposes registration of the Mark. The opposition is based primarily on allegations that the Mark is confusing with four trademarks registered by the Opponent in association with vehicle wheels and wheel-related goods, set out below (collectively, the Opponent’s Marks).

Trademark	Reg. No.	Goods and Services
KMC	TMA921,216	Wheel rims for motor vehicles and structural parts therefor.
KMC WHEELS	TMA1,003,482	Vehicle wheel rims and structural parts therefor
KMC ROCKSTAR & Design	TMA1,005,126	Automotive vehicle wheels and components thereof
XD KMC & DESIGN	TMA1,007,456	Automotive vehicle wheels and components thereof

[4] For the reasons that follow, the application is refused with respect to “transmission shafts for bicycles” and “bicycle pulleys”.

THE RECORD

[5] The application was filed on March 20, 2018. A revised application was filed on February 26, 2020. The application was advertised for opposition purposes in the *Trademarks Journal* on November 25, 2020. On May 21, 2021, the Opponent opposed the application by filing a statement of opposition under section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). I note that the Act was amended on June 17, 2019. As the application in this case was advertised after June 17, 2019, the Act as amended applies (see section 69.1 of the Act).

[6] The grounds of opposition are summarized below:

- Contrary to sections 38(2)(a) and 30(2)(a) of the Act, the term “bicycle pulleys” does not conform to the requirements of section 30(2) of the Act as it does not describe the goods in ordinary commercial terms.
- Contrary to section 38(2)(a.1) of the Act, the Applicant filed the application in bad faith “as part of its continuing global strategy to dishonestly undermine the Opponent’s interests in Canada”, by filing an overbroad trademark application, and because the Applicant knew about the Opponent’s Marks and the goods associated therewith.
- Contrary to sections 38(2)(b) and 12(1)(d) of the Act, the Mark is not registrable because, as of the filing date of the application, the Mark was confusing with the Opponent’s Marks that have been registered.
- Contrary to sections 38(2)(c) and 16(1)(a) of the Act, the Applicant is not the person entitled to registration of the Mark in Canada in association with the Goods because, at the time of the filing date of the application, the Mark was confusing with the Opponent’s Marks that had been previously used in Canada since before the filing date of the application.
- Contrary to sections 38(2)(c) and 16(1)(b) of the Act, the Applicant is not entitled to registration of the Mark in Canada in association with the Goods because, at the filing date of the application, the Mark was confusing with the Opponent’s Marks for which applications had been previously filed in Canada.
- Contrary to sections 38(2)(d) and 2 of the Act, the Mark is not distinctive of the Applicant’s Goods as it does not distinguish those goods from those of the Opponent, and because it has no inherent distinctiveness.
- Contrary to sections 38(2)(e) of the Act, the Applicant was not using and did not propose to use the Mark in Canada in association with the goods “parts and accessories of bicycles, namely, bicycle chains, bicycle sprockets, bicycle gears, transmission shafts for bicycles, bicycle belts, bicycle pulleys, tensioners for bicycles, chain guide rails for bicycles” .

[7] On July 29, 2021, the Applicant served and filed a counter statement. Both parties filed evidence, which is discussed below. The Applicant's affiant was cross examined on her affidavit. Only the Opponent filed written representations; no oral hearing was held.

EVIDENCE

Opponent's Evidence

[8] As its evidence in this proceeding, the Opponent filed:

- an affidavit of Eric Greiving, Product Development Manager for the Opponent, sworn November 24, 2021;
- two affidavits of Runa A, junior legal consultant at the Opponent's agent of record, both sworn November 29, 2021;
- a certified copy of the Opponent's trademark KMC, registration No. TMA921,216; and
- a number of certified copies of European Union Intellectual Property Office documents, including two trademark applications and three certificates of registrations for KMC-formative trademarks, and an EUIPO opposition decision in which an opposition by the Applicant against a trademark of the Opponent was rejected.

[9] The Greiving affidavit includes the following information:

- The Opponent is the distributor of KMC branded wheels for Canada on behalf of KMC Products, Inc., a United States company.
- The Opponent has been "actively promoting" KMC wheels in Canada since September 2002, and opened a factory for the manufacture of such wheels in Canada in 2016.
- Exhibit A: photographs and sales records of wheels displaying "KMC" showing four transactions in Canada between January 2020 and November 2021.

- Exhibit B: photographs and sales records of wheels displaying “KMC WHEELS” showing eleven transactions in Canada between January 2020 and November 2021.
- Exhibit C: photographs and sales records of wheels displaying “XD KMC” showing 34 transactions in Canada between January 2020 and November 2021.
- The affidavit includes a chart of revenues in US dollars from January 2016 to November 2021 generated by the Opponent for the sales of wheels displaying a KMC trademark in Canada, showing sales broken down by province but not by year, with sales ranging from approximately \$1,200 for Prince Edward Island to over \$1.1 million for British Columbia, with total sales of over \$3.3 million.

[10] The first affidavit of Runa A (First A Affidavit) includes the following information:

- Exhibits A and B: screenshots from the Applicant’s North American website at *store.kmcchain.us* from June 25, 2021. Ms. A notes that products sold include mountain bike chains, road bike chains, eBike chains, BMX chains, Track & Fixie chains, Anti-Rust chains, Connecting Link, Extra tools, Apparel, and that the website does not show any of the goods roller chains, bicycle sprockets, bicycle gears, transmission shafts, bicycle belts, bicycle pulleys, tensioners for bicycles, chain guide rails, or motorcycle chains.
- Exhibit C: the results of a search using the keywords “KMC chain” on *amazon.ca* from June 25, 2021. Ms. A states that the search results include bicycle chains, bicycle chain links, bicycle half links, missing link levers, reversible chain tools, missing link openers, missing link closers, bicycle chain sets, chain stickers, and chain toolsets. The affiant notes that the search did not return any results for bicycle sprockets, bicycle gears, transmission shafts, bicycle belts, bicycle pulleys, tensioners for bicycles, chain guide rails.
- Exhibit D: the results of a image search on *google.ca* for “bicycle pulleys” from November 26, 2021. The affiant states that the results include two

types of bicycle pulleys including a storage device that can lift a bicycle to the ceiling, and a bicycle rear derailleur pulley.

[11] The second affidavit of Runa A (Second A Affidavit) includes the following information:

- Exhibit A: EUIPO records of the Opponent's trademark application for "KMC".
- Exhibits B and C: EUIPO cancellation decisions for a "KMC" trademark and a "KMC & Design" trademark owned by the Applicant.
- Exhibits D, E, G, and H: records for trademark applications and registrations owned by the Applicant and its affiliates from the intellectual property offices of Taiwan, China, Australia, and the United States. In the latter case, records show that an opposition was sustained against the Applicant's "KMC" trademark application, and the application was abandoned in 2019.
- Exhibit F: Canadian Intellectual Property Office records of trademark applications and registrations of the Applicant and Opponent, and documents from previous settlement negotiations.

Applicant's Evidence

[12] As its evidence in this proceeding, the Applicant filed the affidavit of Hsieh Chieh Ni, Legal Supervisor for the Applicant, sworn April 22, 2022. Ms. Hsieh's affidavit includes the following information:

- The Applicant is a roller chain manufacturer headquartered in Taiwan, which sells its products in Canada through *amazon.ca* as well as through bicycle shops, manufacturers, distributors, and online retailers that are either located in Canada or sell into Canada.
- The affidavit includes a chart of revenues for sales of the Applicant's Goods in Canada since 2014, with sales in the thousands of dollars for each year. Ms. Hsieh states that all such products are "labeled and branded with a KMC trademark", and that some have displayed the Mark since 2015.

- Exhibit B: a photograph of a booth displaying the Mark, which Ms. Hsieh states was from a mountain biking exhibition in Canada in August 2015. In cross-examination, Ms. Hsieh stated that the date of this picture is 2017, rather than 2015.
- Exhibit C: screenshots from the website of the publication *Bicycle Retailer and Industry News*, which Ms. Hsieh states is a leading source of news and information about the bicycle industry which reaches an audience of cyclists, bicycle retailers, manufacturers, distributors, executives, and others, including in Canada. Ms. Hsieh states that the Applicant spent over \$2,000 USD in to place advertising in March, April, May, September, and November 2017 editions of this publication, and over \$7,000 to place advertising in 2019 editions. The Applicant's Mark does not appear in any of these screenshots.
- Exhibits D, E, and I: printouts from websites of retailers of bicycles, bicycle parts, and motorcycle parts, showing that the Applicant's products are sold by these retailers.
- Exhibit F: photographs of packaging for bicycle chains that are representative of products sold by the Applicant since at least 2018, along with an invoice for a sale of such chains in Canada dated March 20, 2018. Although the copy in evidence is of poor quality, Ms. Hsieh confirms in her affidavit that those packages display the Mark, and the double-circle shape appears to be visible around the words "KMC" in the first exhibit photograph. Accordingly, I accept that the packaging for these goods displays the Mark.
- Exhibit G: screenshots from *amazon.ca* showing the availability of "KMC sprockets", which Ms. Hsieh says "have been sold in Canada for many years". The Applicant's Mark is displayed on a photograph for the packaging for such sprocket goods.
- Exhibit H: photographs of the Applicant's motorcycle chains and their packaging, along with an invoice for a sale of such goods to a Canadian buyer in 2016. I note that the packaging for these goods does not appear to display the Applicant's Mark.

- Ms. Hsieh states that each of the Applicant's Goods have either been sold or are intended to be sold in Canada in association with the Applicant's Mark.

[13] On April 22, 2022, Ms. Hsieh was cross-examined on her affidavit.

Opponent's Reply Evidence

[14] As its reply evidence in this proceeding, the Opponent filed a third affidavit of Ms. A, sworn February 17, 2023. The affidavit states only that Ms. A received an email from the Applicant's agent on October 18, 2022, containing a scanned copy of the passport of Ms. Hsieh, showing that her date of birth is November 5, 1992.

ANALYSIS

Ground of Opposition: Section 38(2)(a)

[15] The Opponent has pleaded that the application does not conform to the requirements of sections 38(2)(a) and 30(2)(a) of the Act because the applied-for goods "bicycle pulleys" are not described in ordinary commercial terms. The material date for this ground is the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984) 3 CPR (3d) 469 (TMOB) at 475].

[16] A ground of opposition based on section 30(2)(a) of the Act involves two issues: first, whether the statement of goods is in ordinary commercial terms and, second, whether it adequately identifies the specific goods [*Whirlpool SA v Eurotherm Holdings Ltd*, 2010 TMOB 171]. The initial burden on an opponent under a section 30(2)(a) ground is a light one and it can be met through argumentation alone [see *McDonald's Corp v MA Comacho-Saldana International Trading Ltd* (1984), 1 CPR (3d) 101 at 104 (TMOB) and *Pro Image Sportswear Inc v Pro Image Inc* (1992) 42 CPR (3d) 566 (TMOB)].

[17] Section 2.4.5.2 of the Trademarks Examination Manual, titled "Specific goods or services", sets out the following three-part test to assist in determining whether a statement of goods identifies a "specific" good or service within the meaning of the Act:

1. Are the goods or services described in a manner such that it is possible to assess whether paragraph 12(1)(b) of the Act applies? A trademark that clearly describes a character or quality of the goods or services is not registrable.

2. Does the statement identify a specific good or service to ensure that the applicant will not have an unreasonably wide ambit of protection? For example, goods described as "computer software", without further specification, would give the applicant an unreasonably wide ambit of protection.

3. Are the goods or services described in a sufficiently specific manner such that it is possible to assess confusion? A trademark that is confusingly similar to a registered trademark or a pending trademark is not registrable.

[18] The Opponent pleads that the application does not conform to the requirements of section 30(2)(a) of the Act because the term "bicycle pulleys" can refer either to a bicycle storage device that can lift a bicycle, or part of a bicycle's rear derailleur system, as set out in the aforementioned affidavit of Runa A. Further, the Opponent notes that "bicycle pulleys" is not listed in CIPO's *Goods and Services Manual*.

[19] In this case, I agree with the Opponent that it meets its initial burden under this ground with respect to the applied-for goods "bicycle pulleys" because the foregoing is sufficient to put compliance with section 30(2)(a) into issue in this case with respect to whether those goods are described in sufficiently specific terms, having regard to the second and third parts of the test cited above. As noted by the Opponent, the statement in the application is ambiguous in that it is susceptible to more than one possible interpretation.

[20] As the Applicant has put forward no evidence or submissions to show that the goods "bicycle pulleys" are set out in ordinary commercial terms and are sufficiently specific, it fails to meet its legal burden under this ground to show, on a balance of probabilities, that the application complies with section 30(2)(a) of the Act.

[21] Accordingly, this ground of opposition succeeds with respect to the applied-for goods "bicycle pulleys".

Section 38(2)(a.1) Ground of Opposition

[22] The Opponent alleges that the Applicant filed the application in bad faith “as part of its continuing global strategy to dishonestly undermine the Opponent’s interests in Canada”. The Opponent submits that the Applicant, which makes bicycle and motorcycle chains, “has a history of filing overbroad trademark applications for the Mark in bad faith in other jurisdictions, some of which the Opponent has successfully opposed”. Further, the Opponent submits that the Applicant “has also previously attempted to block, in bad faith, the Opponent’s legitimate registration and use of some or all of the Opponent’s [Marks] in Canada and abroad”. Finally, the Opponent submits that it has acquired substantial reputation for its goods bearing the Opponent’s Marks, which the Applicant knew about.

[23] While the date the application was filed is the material date for the analysis under section 38(2)(a.1) of the Act, later evidence may also be relevant where it helps to clarify the reason for filing the application [*Beijing Judian Restaurant Co Ltd v Meng*, 2022 FC 743 (*Beijing Judian*) at para 38; *Pentastar Transport Ltd v FCA US LLC*, 2020 FC 367 at para 98]. Although it is the application as amended on February 26, 2020, that is at issue in this proceeding, I consider it both relevant and necessary to also consider and make reference to the original application as filed on March 20, 2018 [see *Cerverceria Modelo, SA de CV v Marcon* (2008), 70 CPR (4th) 355 (TMOB)].

[24] As for the parties’ respective burdens, where there are facts that fall uniquely within the knowledge of the Applicant, circumstantial evidence and inferences from proved facts may be sufficient to establish the objectives of the Applicant at the time of filing, while hearsay evidence and vague conjecture will not [*Beijing Judian* at para 39; *Beijing Jingdong 360 Du E-Commerce Ltd v Zhang*, 2019 FC 1293 at para 23-24; *Domaines Pinnacle Inc v Les Vergers de la Colline*, 2016 FC 188 at para 68].

[25] The Opponent notes that at the time of filing of the application for the Mark on March 20, 2018, the following goods were applied for based on proposed use in Canada:

Roller chains for vehicles; silent chains for vehicles; transmission shafts for land vehicles; sprockets; gears, belts for vehicles, pulleys for vehicles; tensioners; chain guide rails; parts and accessories of bicycles, namely, bicycle chains, bicycle sprockets, bicycle gears, transmissions shafts for bicycles, bicycle belts, bicycle pulleys, tensioners for bicycles, chain guide rails for bicycles; parts and accessories for motorcycles, namely, motorcycle chains, silent chains for motorcycles, motorcycle sprockets, motorcycle gears, transmission shafts for motorcycles, motorcycle belts, motorcycle pulleys, tensioners for motorcycles, chain guide rails for motorcycles; parts and accessories of automobiles, namely, automobile chains, silent chains for automobiles, automobile sprockets, automobile gears, transmission shafts for automobiles, automobile belts, automobile pulleys, tensioners for automobiles, chain guide rails for automobiles.

[26] In response to objections raised by the trademark examiner, the Applicant removed “proposed use” from its application and amended the list to the Applicant’s Goods noted above. The Opponent notes that in Ms. Hsieh’s cross-examination, she stated that certain of the goods in the original application were intended to be “developed in the future”, that she was directed not to answer the question of whether the initial application covered “parts and accessories of automobiles”, and that she was “unsure” as to whether the Applicant was developing auto parts.

[27] In the Opponent’s view, the original application represents an overbroad application filed in bad faith “to narrow or block the protection of the Opponent’s marks and to expand the protection of the Applicant’s marks well beyond their use as an indicator as a source of the Applicant’s goods, and therefore beyond a legitimate commercial purpose of the Applicant”. In this respect, the Opponent submits that the Applicant has demonstrated a pattern of such behaviour in multiple jurisdictions, including applying for trademarks in association with vehicle part goods and car tires in Taiwan and China, respectively, which were later cancelled in proceedings in those countries attached to the Second A Affidavit.

[28] The Opponent includes evidence that the Applicant filed an application for a KMC design trademark at the time that the Applicant proposed a settlement agreement. This application was subsequently withdrawn. Other than being further evidence that the Applicant was aware of the Opponent, I do not find that the fact of filing and subsequently withdrawing this application is evidence of bad faith. The Opponent also includes additional evidence that appears to be covered by settlement privilege as it is

in the nature of settlement discussions. As such, I will not give this evidence any weight [see *Source Media Group Corp v Black Press Group Ltd*, 2014 FC 1014 at para 18].

[29] The Opponent's evidence demonstrates that the Applicant was well aware of the Opponent's existing trademarks and business as of the material date, given that the parties have been engaged in trademark litigation since at least 2007. If the automobile parts and accessories goods in the original application were still at issue, it may be that the Opponent could meet its burden for the bad faith ground in association with those goods. However, as they are no longer part of the application, the issue is now moot with respect to those goods.

[30] I am not of the view that the bad faith ground of opposition can succeed with respect to the Applicant's Goods as they currently stand. The Applicant has furnished evidence to the effect that it sold at least bicycle chains in association with the Mark as of the material date. Bearing in mind that later evidence may also be relevant where it helps to clarify the reason for filing the application, I note that the Applicant has also shown that it sold bicycle sprockets and motorcycle chains after the material date in association with the Mark or one of its other KMC trademarks, which are registered for "roller chains for industry" and "bicycle chains, motorcycle chains". The remaining Applicant's Goods are other bicycle parts and accessories; in my view, it is not clear how an application in association with goods related to the Applicant's industry, and not the Opponent's, could be considered to be in bad faith in this context.

[31] Accordingly, this ground of opposition is rejected.

Ground of Opposition: Section 12(1)(d)

[32] The Opponent alleges that contrary to section 12(1)(d) of the Act, the Mark is not registrable due to the Opponent's registrations for the Opponent's Marks. I have exercised my discretion to check the register and confirm that these registrations remain extant [per *Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. The Opponent has therefore met its initial evidential burden for the section 12(1)(d) ground of opposition.

[33] Since the Opponent has discharged its evidentiary burden regarding this ground of opposition, I must assess whether the Applicant has discharged its legal onus to prove, on balance of probabilities, that there is no confusion between the Applicant's Mark and the aforementioned registrations of the Opponent. The material date with respect to confusion with a registered trademark is the date of this decision [*Simmons Ltd v A to Z Comfort Beddings Ltd* (1991), 37 CPR (3d) 413 (FCA)].

[34] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trademarks and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the goods, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trademarks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight [see, in general, *Mattel USA Inc v 3894207 Canada Inc*, 2006 SCC 22, and *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 (*Masterpiece*)]. Moreover, in *Masterpiece*, the Supreme Court stated that the degree of resemblance between the trademarks is often likely to have the greatest effect on the confusion analysis.

[35] Finally, section 6(2) of the Act does not concern confusion between the trademarks themselves, but confusion regarding goods or services from one source as being from another source. In this case, the question posed by section 6(2) is whether there would be confusion regarding the goods and services sold under the Mark such that they would be thought to have emanated from the Opponent.

[36] In conducting the confusion analysis, I will focus on the Opponent's KMC trademark, registration No. TMA921,216 (the Opponent's KMC Mark), as in my view it represents the Opponent's best case with respect to the issue of confusion.

Inherent and acquired distinctiveness

[37] In general, trademarks consisting of a simple combination of letters or initials are generally considered to be weak marks with a low degree of inherent distinctiveness

[see *GSW Ltd v Great West Steel Industries Ltd* (1975), 22 CPR (2d) 154 (FCTD) at 163-164; and *Grant Industries Inc v Alfred Grass Gesellschaft mbH Metallwarenfabrik* (1991), 47 FTR 231 (FCTD)].

[38] The Opponent submits that while trademarks consisting of a combination of letters or initials are generally considered to have a low degree of inherent distinctiveness, it submits that the letters “KMC” refer to the wife of the founder of the Opponent’s predecessor. However, this alleged fact is not referenced in the Opponent’s evidence. Given that the Opponent’s KMC Mark consists only of the letters “KMC”, it has a low degree of inherent distinctiveness.

[39] By contrast, the Mark includes a design element which appears to be in the form of a link in a bicycle chain. However, design elements that are suggestive of an aspect of the trademark owner's goods or services may not add significantly to the trademark's distinctiveness [see, for example, *Groupe Première Moisson Inc v Pumpernickel's Franchise Corporation*, 2019 TMOB 99 at para 45]. As such, I consider it to have only a slightly higher degree of inherent distinctiveness.

[40] The distinctiveness of a trademark, even a weak mark consisting of initials, can be increased through its use and promotion in Canada [see *Sarah Coventry Inc v Abrahamian* (1984), 1 CPR (3d) 238 (FCTD); *GSW, supra*]. In this respect, the Opponent submits that it generated more than \$3 million USD in revenues in Canada from 2016 to 2021 from wheels bearing the Opponent’s Marks; I note that all of the Opponent’s Marks incorporate the letters “KMC” and would thus amount to display of Opponent’s KMC Mark.

[41] By contrast, the Applicant’s sales figures since 2014 are significantly less than those of the Opponent, and it is not clear how many of those sales are of products associated with the Mark. Similarly, it is not clear that the advertising figures included by the Applicant reflect advertising of the Applicant’s Goods in association with the Mark.

[42] Accordingly, this factor favours the Opponent.

Length of time in use

[43] The Applicant and Opponent have both provided generalized sales figures, with the Opponent's sales of goods displaying the Opponent's KMC Mark purportedly dating to 2016, and the Applicant's sales of goods displaying the Mark purportedly dating to 2015. The Opponent has provided sales figures for a specific good displaying the Opponent's KMC Mark dating to 2020 or 2021, while the Applicant has provided concrete evidence of a transaction of goods displaying the Mark in 2018.

[44] As the evidence shows that the parties began using their respective trademarks within a few years of each other, this factor favours neither party.

Nature of the goods, services or business and nature of the trade

[45] When considering sections 6(5)(c) and (d) of the Act, it is the statement of goods and services as defined in the registration relied upon by the Opponent and the current statement of Goods in the application for the Mark that governs the assessment of the likelihood of confusion under section 12(1)(d) of the Act [*Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)]. However, as each statement must be read with a view to determining the probable type of business intended, evidence of the parties' actual trades is useful [see *McDonald's Corp v Coffee Hut Stores Ltd*, 1996 CanLII 3963 (FCA); *McDonald's Corp v Silcorp Ltd* (1989), 55 CPR (2d) 207 (FCTD), aff'd (1992), 41 CPR (3d) 67 (FCA)].

[46] The Opponent submits that the Applicant's initial application included "parts and accessories for motorcycles" and "parts and accessories of automobiles", that would cause a likelihood of confusion with the Opponent's Marks. I agree with the Opponent that had "parts and accessories of automobiles" remained in the application, there would be significant overlap between the goods and trade of the parties. However, the current application does not include automobile goods and restricts the "parts and accessories for motorcycles" to "motorcycle chains". The Opponent does not suggest that the Applicant's Goods as reflected in the current application would be of a similar nature, or travel through similar channels of trade, as the goods associated with the

Opponent's Marks. Indeed, I note that in a previous opposition proceeding involving these parties, in which the Applicant's opposition to the Opponent's application for its KMC WHEELS was rejected, the Opponent submitted, and the Registrar accepted, that the parties' goods differed substantially, and that it is unlikely that there would be any overlap in the parties' respective channels of trade [see *KMC Chain Industrial Co, Ltd v Wheel Pros, LLC*, 2018 TMOB 39 (KMC WHEELS Case) at paras 49-56, citing *Bridgestone Corp v Campagnolo Srl*, 2012 TMOB 182, for the proposition that bicycle parts were fundamentally different from tires, tubes, and wheels for automobiles].

[47] In view of the evidence before me in the present case, and in the absence of any suggestion to the contrary, I accept that the Applicant's Goods as reflected in the current application are of a different nature, and would likely be sold in non-overlapping channels of trade, as the goods associated with the Opponent's KMC Mark (or any of the Opponent's Marks).

[48] Accordingly, these factors favour the Applicant to a significant degree.

Degree of resemblance

[49] When considering the degree of resemblance, the law is clear that the trademarks must be considered in their totality; it is not correct to lay them side by side and compare and observe similarities or differences among the elements or components of the trademarks. The Supreme Court of Canada in *Masterpiece* has advised that the preferable approach when comparing trademarks is to begin by determining whether there is an aspect of the trademark that is particularly striking or unique.

[50] In this case, the only element of the Opponent's KMC Mark is the letters "KMC". The Applicant's Mark, by contrast, include both the letters "KMC" and the bicycle chain link shape. The Opponent submits that this graphic element is not distinctive and insignificant compared to the "KMC" element, stating that "graphic elements should not be added to a word mark when considering the possible scope of use" and citing *Domaines Pinnacle v Constellation Brands*, 2016 FCA 302. However, the Mark at issue

at present is not a word mark but a design mark, unlike the respondent's mark in that case. I would consider the chain link shape to be a striking element of the Mark.

[51] Nevertheless, I accept that there is some degree of visual resemblance between the two trademarks, especially when considered from the standpoint of a casual consumer who is somewhat in a hurry. Phonetically, the trademarks are identical. As for ideas suggested, the Opponent's KMC Mark is not suggestive of any idea in particular, whereas the design element of the Applicant's Mark is suggestive of a bicycle chain link.

[52] Accordingly, I find that this factor favours the Opponent to some extent.

Additional surrounding circumstances: Applicant's existing Canadian registrations

[53] Ms. Hsieh notes in her affidavit that the Applicant already owns two trademark registrations for KMC in Canada, namely, TMA481,631, for "roller chains for industry", and TMA411,274, for "bicycle chains, motorcycle chains". It is well established that the existence of prior registrations owned by a party does not automatically entitle that party to register a similar trademark [see *GroupeLavo Inc v Proctor & Gamble Inc* (1990), 32 CPR (3d) 533 (TMOB) at para 15; see also *Highland Feather Inc v American Textile Co*, 2011 TMOB 16 at para 20]. However, in *Caesarstone Sdot-Yam Ltd v Ceramiche Caesar SPA*, 2016 FC 895, the Federal Court found that it was a relevant circumstance that the services at issue were an "extension" of goods contained in a prior registration (in that the services amounted to retail sale and installation of products encompassed by the goods in the prior registration).

[54] In this case, Ms. Hsieh states that the Owner "is now seeking to register essentially a design version of its KMC trademarks, covering the same products and parts and accessories designed for the same industry as its earlier registrations". While certain of the Applicant's goods are not "the same" as those in the Applicant's existing registrations (as noted by Ms. Hsieh on cross-examination), I nevertheless accept that they are closely related to the goods in the Applicant's existing registrations. As was the case in *Caesarstone*, the applied-for Mark is a design version of the Applicant's existing registrations; I note that those word marks bear an even closer resemblance to the

Opponent's KMC Mark than the Mark at issue. As such, I find this to be a relevant surrounding circumstance favouring the Applicant [see *Caesarstone*, at paragraphs 50-56; KMC WHEELS Case at paras 60-61; *Kenneth Cole Productions, Inc v Mankind Grooming Studio for Men Inc*, 2023 TMOB 23 at para 54].

Additional surrounding circumstances: Opponent's existing Canadian registrations

[55] The Opponent submits that it already owns registrations for the above-noted Opponent's Marks. To the extent that the Opponent is submitting that it is entitled to a greater degree of protection due to the existence of a family of trademarks, in order to rely on a family of trademarks, an opponent must prove use of each mark of the alleged family [*McDonald's Corp v Alberto-Culver Co* (1995), 61 CPR (3d) 382 (TMOB); *McDonald's Corp v Yogi Yogurt Ltd* (1982), 66 CPR (2d) 101 (FCTD)].

[56] In this case, the Opponent has evidenced use of at least several of its registered KMC trademarks including KMC, KMC WHEELS, and XD KMC. I am therefore satisfied that the Opponent has shown use of a small family of KMC trademarks. However, the small size of the Opponent's family of KMC trademarks, the small number of evidenced transactions associated with some of these trademarks, and the fact that the KMC appears in association with other materials in most cases, tempers the weight that can be afforded to it as a surrounding circumstance [for a similar conclusion, see *Align Technology, Inc v Osstemimplant Co, Ltd*, 2019 TMOB 101 at para 23].

[57] As such, I find this to be a relevant surrounding circumstance favouring the Opponent to a moderate degree.

Conclusion

[58] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection and have considered all of the surrounding circumstances. In most instances, it is the degree of resemblance between the trademarks that is the most crucial factor in determining the issue of confusion [*Masterpiece; Beverley Bedding & Upholstery Co v Regal Bedding & Upholstery Ltd* (1980), 47 CPR (2d) 145 (FCTD) at 149, *aff'd* 60 CPR (2d) 70 (FCA)]. Furthermore,

section 6(2) of the Act is not concerned with confusion between the trademarks themselves, but rather confusion as to the source of the goods.

[59] It is difficult to monopolize weak trademarks consisting only of initials; indeed, as stated in *Acklands Ltd v Anamet Inc* (1996), 67 CPR (3d) 478 (FCTD) at 483, "...a single trader should not be entitled to obtain exclusive property rights over a letter or combination of letters of the alphabet which happen to be the initials of that particular trader to the detriment of other traders who may happen to have the same initials." While acknowledging that the Opponent has acquired a reputation of some extent in association with KMC, this is the sort of trademark that is typically not given a broad scope of protection, with small differences being sufficient to distinguish a similar trademark [for a similar conclusion, see *385229 Ontario Ltd v ServiceMaster Co*, 2012 TMOB 59 at para 51]. In this case, the degree of resemblance factor and the inherent and acquired distinctiveness factor favour the Opponent, and the Opponent has established that it has a small family of KMC-formative trademarks. However, I find that the difference in the nature of the goods and the nature of trade, and the existence of the Applicant's long-standing registrations for very similar trademarks in association with related goods, are sufficient to shift the balance in favour of the Applicant. As such, I find that the Applicant has met its burden.

[60] The section 12(1)(d) ground of opposition is therefore rejected.

Ground of Opposition: Section 16(1)(a)

[61] Pursuant to sections 38(2)(c) and 16(1)(a) of the Act, the Opponent pleads that the Applicant is not the person entitled to registration of the Mark because, at the time of the filing date of the application, the Mark was confusing with the Opponent's Marks that had been previously used in Canada since before the filing date of the application.

[62] In order to meet its initial burden under this ground, the Opponent must show that at least one of its trademarks was used prior to the Applicant's filing date (March 20, 2018) and was not abandoned at the date of the advertisement of the application (November 25, 2020). Accordingly, the relevant evidence on which the Opponent can rely is evidence of use that pre-dates the filing date of the application.

[63] As noted above, the Opponent's evidence refers to the Opponent opening a warehouse in Canada in 2016 to distribute its goods, and actively promoting its goods in association with the trademark "KMC" since September 2002. However, to show use within the meaning of section 4(1) of the Act, the Opponent was obligated to furnish evidence of display of its trademarks in association with a transfer in the normal course of trade in Canada. While the Greiving affidavit shows how the Opponent's Marks were displayed on its wheel goods, the only evidence of transfers in the normal course of trade as of the material date is a summary of revenues from January 2016 to November 2021. The fact that these revenues are presented as a lump sum (broken down by province but not by year) makes it impossible for me to know what portion predates the material date [for similar conclusions, see *Unilever Canada Inc v Superior Quality Foods Inc* (2007), 62 CPR (4th) 75 (TMOB); *CoreLogic Inc v MLXjet Media Corp*, 2012 TMOB 67 at para 32]. Similarly, the Opponent does not provide evidence showing its efforts to promote its trademarks since 2002, such as advertising spending figures.

[64] In the absence of evidence demonstrating that any of the Opponent's Marks had been used or made known prior to the material date, I am not satisfied that the Opponent has met its burden with respect to this ground of opposition. I note that even if I were to conclude otherwise, I would reach similar conclusions in the confusion analysis as those set out in the section 12(1)(d) ground, especially given that the Opponent would not have shown that any of its trademarks would have acquired distinctiveness as of the material date for this ground of opposition.

[65] Accordingly, this ground of opposition is rejected.

Ground of Opposition: Section 16(1)(b)

[66] The Opponent pleads that the Applicant is not entitled to register the Mark because it is confusing with the previously filed applications for the Opponent's Marks. However, the Opponent has the initial burden of proving that these trademark applications were pending at the date of filing the subject application, and remained pending at the date of advertisement of that application. Since the applications for each of the Opponent's Marks matured to registration in 2015 and 2018, prior to the date of

advertisement of the Applicant's application (November 25, 2020), the Opponent has not met its burden with respect to this ground of opposition.

[67] Accordingly, this ground of opposition is rejected for the Opponent's failure to meet its evidential burden.

Ground of Opposition: Section 2

[68] The Opponent has also pleaded that contrary to section 2 of the Act, the Mark does not actually serve to distinguish and is not adapted to distinguish the Applicant's Goods from the goods and services associated with the Opponent's Marks. The material date with respect to a distinctiveness ground of opposition is the date of filing of the opposition (May 21, 2021) [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FCTD)].

[69] In *Bojangles' International, LLC v Bojangles Café Ltd*, 2006 FC 657 at paras 33-34, the Federal Court provided that a trademark could negate another mark's distinctiveness if it was known to some extent at least and its reputation in Canada was substantial, significant or sufficient, or alternatively, if it is well known in a specific area of Canada. An attack based on non-distinctiveness is not restricted to the sale of goods or services in Canada. It may also be based on evidence of knowledge or reputation of an opponent's trademark including reputation spread by means of word of mouth or newspaper and magazine articles [*Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 (FCTD)].

[70] I will again focus my analysis on the Opponent's KMC Mark as it represents the Opponent's best case. The Opponent's evidence of use detailed in the Greiving affidavit, showing significant sales across Canada, is sufficient to meet its evidential burden. However, as the difference in material dates has no impact on my analysis of this ground of opposition, I reach the same conclusions with respect to confusion as those set out in the section 12(1)(d) ground.

[71] This ground of opposition is therefore rejected.

Ground of Opposition: Section 38(2)(e)

[72] The Opponent has pleaded that the Applicant either was not using or did not intend to use the Mark in Canada in association with the goods “parts and accessories of bicycles, namely, bicycle chains, bicycle sprockets, bicycle gears, transmission shafts for bicycles, bicycle belts, bicycle pulleys, tensioners for bicycles, chain guide rails for bicycles” . In this respect, the Opponent pleads that the Applicant makes bicycle and motorcycle chains, and has a history of filing overbroad trademark applications in bad faith.

[73] The material date for this ground of opposition is the filing date of the application.

[74] Since the relevant facts are more readily available to the applicant under this ground of opposition, the evidential burden in respect of these grounds is light and the amount of evidence needed to discharge it may be very slight [*Allergan Inc c Lancôme Parfums & Beauté & Cie, société en nom collectif* (2007), 64 CPR (4th) 147 (TMOB); *Canadian National Railway v Schwauss* (1991), 35 CPR (3d) 90 (TMOB); *Green Spot Co v John M Boese Ltd* (1986), 12 CPR (3d) 206 at 210-11 (TMOB)]. To meet its burden by relying on the applicant’s evidence, the opponent must show that the applicant’s evidence is “clearly inconsistent” with or “casts doubt” on the claims set forth in the application [see *Ivy Lea Shirt Co v Muskoka Fine Watercraft & Supply Co* (1999), 2 CPR (4th) 562 (TMOB), aff’d 2001 FCT 252; and *Bacardi & Co v Corporativo de Marcas GJB, SA de CV*, 2014 FC 323 at paras 33, 50 and 54].

[75] In this case, Ms. Hsieh has stated that while the Applicant “may be primarily known for its bicycle chain business, it also produces KMC parts and accessories for bicycles and new products are in constant development for that industry.” She further states that all of the Applicant’s goods “are products of interest to [the Applicant], that have either been sold or are intended to be sold in Canada under that trademark”.

[76] During Ms. Hsieh’s cross-examination, when asked what records she reviewed to verify her statements regarding new products being under development, Ms. Hsieh explained that she reviewed an “agreement of confidentiality” provided by the company’s research and development department. When asked if that document

referred to transmission shafts for bicycles, Ms. Hsieh stated that it did not. When asked if the document mentioned bicycle pulleys, bicycle belts, and bicycle gears, Ms. Hsieh stated that it did. She was not asked about other goods in the application, such as “tensioners for bicycles” or “chain guide rails for bicycles”.

[77] In view of Ms. Hsieh’s admission in cross-examination that the document she reviewed regarding products in development by the Applicant referred to certain goods, but not transmission shafts for bicycles, I find that the Opponent has met its light evidential burden with respect to the goods “transmission shafts for bicycles”, in that it has cast doubt on whether the Applicant was using or intended to use the Mark in association with those goods.

[78] As the Applicant has not met its legal onus to show that it was using or intended to use the Mark in association with these goods, this ground of opposition succeeds with respect to the goods “transmission shafts for bicycles”.

DISPOSITION

[79] In view of the above, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application with respect to the goods “transmission shafts for bicycles” and “bicycle pulleys”. I reject the opposition with respect to the remaining goods set out below:

- (1) Roller chains for motorcycles and motorbikes; parts and accessories of bicycles, namely, bicycle chains, bicycle sprockets, bicycle gears, bicycle belts, tensioners for bicycles, chain guide rails for bicycles; parts and accessories of motorcycles, namely, motorcycle chains

G.M. Melchin
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: No hearing held

AGENTS OF RECORD

For the Opponent: Paul D. Jones (Jones & Co.)

For the Applicant: Aventum IP Law LLP