



Newsletter Article

MOTOR VEHICLE AND BICYCLE MARKS

Published: 02/01/2011

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A recent decision of the Federal Court dismissed an appeal from the Trade-marks Opposition Board that found a mark used with motor vehicles was not confusing with a mark used with bicycles.

a) The Facts

Daimler Chrysler Corporation applied to register the trade mark ROCKY MOUNTAIN in association with motor vehicles and structural parts and engines therefor, including wheels but not including tires. The application was opposed by Group Procycle Inc. (the Opponent) on the basis that it was confusing with the opponent's trade marks ROCKY MOUNTAIN and ROCKY MOUNTAIN BICYCLES registered for use in association with bicycles.

b) Trade-mark Opposition Board

In its decision, the Trade-mark Opposition Board referred to the fact that the onus was on the applicant to establish, on a balance of probabilities, that there was no reasonable likelihood of confusion between its mark and the opponent's trade-marks. The Board applied the provisions of the *Trade-marks Act* that require that, when determining whether trade marks are confusing, regard be had to all the surrounding circumstances including:

- a. the inherent distinctiveness of the trade marks and the extent to which they have become known;
- b. the length of time the trade marks have been in use;
- c. the nature of the wares or business;
- d. the nature of the trade, and
- e. the degree of resemblance between the trade marks in appearance or sound or the idea suggested by them.

In applying these statutory factors the Board came to the following conclusions:

Inherent Distinctiveness

It was noted that both parties' marks were relatively inherently distinctive, but that the opponent's mark was distinctive to the lesser degree given its greater suggestive connotation. It was also found that despite the fact that the opponent enjoyed a significant reputation among mountain biking enthusiasts in Canada, the evidence fell short of supporting the argument that the opponent's trade mark had become well known within the general population.

Length of time the trade marks have been use

This factor favoured the opponent.

The Nature of the Wares and of the Trade

It was found that the applicant's motor vehicles involved a significantly larger financial outlay and that purchasers would exercise particular care on making their respective purchases. The Board made reference to a previous decision in which it had been concluded that although cars and bicycles are both used in the course of transportation there was little resemblance between the wares. In addition, a purchaser of a bicycle does not expect it to be manufactured by a car manufacturer.

Degree of Resemblance Between the Trade Marks in Appearance or Sound or the Ideas Suggested by Them

It was found that since the trade marks were identical this factor favoured the opponent.

Other Surrounding Circumstances

The applicant presented evidence that the opponent had in the past adopted and used more than 20 car marks, most of which existed before the opponent registered its marks. The Board concluded this was an acknowledgment that there was no likelihood of confusion between such marks.

The Board found that there were ten relevant bicycle-related registrations that contain the word "rock". As a result it was concluded that consumers were used to seeing the component "rock" in bicycle marks which tended to reduce the distinctiveness of the opponent's mark.

Since there was also no evidence of actual confusion despite the co-existence of the marks and given the difference between the parties' wares and channels of trade and relatively low distinctiveness of the opponent's ROCKY MOUNTAIN mark, the opposition was rejected.

c) The Appeal

The opponent appealed to the Federal Court and filed two additional affidavits. It was common ground that the expertise of the Trade-marks Opposition Board called for deference on the part of the Court and that the Board's decision should be reviewed on a standard of reasonableness. However, if new evidence is filed that would have materially affected the Board's findings of fact or the exercise of its discretion the Judge must come to his own conclusion as to the correctness of the decision.

The first affidavit related to the opponent's Canadian sales figures and the efforts it took in marketing and advertising its bicycles. The Judge did not find this evidence to be material since it did not affect the conclusion of the Board relating to the nature of the purchases being made and was insufficient to support a claim that the opponent's trade mark had become well known among the general population.

The second affidavit related to the fact that bicycle and motor vehicle manufacturers frequently enter into license agreements or other agreements relating to promotional offers of bicycles when a motor vehicle is purchased. The Court found that this evidence was not material as it did not affect the Board's decision with respect to the existence of different channels of trade,

In light of these findings, the Board's decision was reviewed on a standard of reasonableness and the judge could not substitute his conclusions for that of the Board. The opponent argued that the register erred in segmenting the mark ROCKY into ROCK and drawing a negative inference from this. The Court attached no weight to this shortcoming because even if the Board's conclusion on this factor was wrong, it was only one factor that had to be considered with others. The Board's decision was reasonable and the appeal was dismissed.

Comment

This decision is consistent with previous reported decisions involving disputes between the owners of marks registered for use with motor vehicles and bicycles.

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