



Date: 20150410

Docket: T-1482-14

Citation: 2015 FC 443

Ottawa, Ontario, April 10, 2015

PRESENT: The Honourable Mr. Justice Manson

BETWEEN:

ADIDAS AG

Applicant

and

GLOBE INTERNATIONAL NOMINEES PTY LTD

Respondent

JUDGMENT AND REASONS

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I. Background

[1] This is a section 56 Appeal of the April 25, 2014 decision of the Registrar of Trademarks rejecting the Applicant's oppositions to applications 1,407,596 and 1,407,601, respectively the Left Stripe Design & Right Stripe Design [the Respondent's Trademarks or the Globe Stripe Designs]:



App. No. 1,407,596



App. No. 1,407,601

[2] On August 18, 2008, the Respondent, Globe International Nominees Pty Ltd [Globe] filed applications for the above trademarks based on the following grounds:

- a) registration and use of the marks in Australia with: footwear, namely, shoes, skateboard shoes, casual shoes, athletic shoes, beach shoes, thonged and strapped sandals, sneakers, boots, slippers;
- b) use of the marks in Canada since at least as early as June 2008 with: footwear, namely, shoes, skateboard shoes, casual shoes, athletic shoes, beach shoes, thonged and strapped sandals, sneakers, boots, slippers;
- c) proposed used of the marks in Canada with: athletic bags, backpacks, book bags, duffel bags, gym bags, school bags, tote bags, beach bags, handbags, trunks and travelling bags, leather and imitations of leather, purses, wallets, satchels, brief cases, attache cases, key cases, umbrellas; clothing, namely singlets, T-shirts, socks, jeans, trousers, sweatshirts,

pullovers, vests, tanktops, tops, shirts, pants, skirts, shorts, sweaters, coats, jackets, pyjamas, dressing gowns, bathrobes, underwear, belts for clothing, gloves, scarves, neckties; headgear, namely hats, beanies, caps and sun visors; skateboards, skateboard wheels sold both separately and as a unit, hardware and parts therefor, namely, trucks, bearings, mounting hardware, decks, grip tape, and riser pads; waterskis; surf skis; skis; edges of skis; scrapers for skis; seal skin coverings for skis; ski bindings; sole coverings for skis; wax for skis; surfboards; body boards; wake boards, snow boards, sleighs, sailboards, harness for sailboards, masts for sailboards, paragliders, ice skates, roller skates, hockey sticks, protection padding for parts of sports suits, elbow guards, knee guards, shin guards, punching bags, rackets, strings for rackets, stationary exercise bicycles, balls for games, bats for games, kites, kite reels, play articles for swimming pools, board games, hand held electronic games, parlour games.

[3] The Registrar:

- a) summarily dismissed the section 30 grounds of opposition, as not being supported on the evidence;
- b) agreed with the Applicant that in considering the factors concerning likelihood of confusion, as found in subsection 6(5) of the *Trademarks Act* [the Act], factors 6(a) through 6(d) favoured adidas; and
- c) rejected the grounds of non-entitlement, confusion with a registered trademark and non-distinctiveness, essentially on the basis of no likelihood of confusion due to dissimilarity under subsection 6(e) of the Act.

[4] The Applicant seeks to set aside the decisions of the Registrar, and have the Respondent's applications refused, on the basis that the Registrar erred in refusing the oppositions to the Respondent's Trademarks:

- a) in dismissing the grounds of opposition under section 30 of the Act;
- b) in rejecting the section 12 ground of opposition;
- c) in rejecting the section 16 grounds of opposition; and
- d) in rejecting the non-distinctiveness ground of opposition.

[5] The Registrar found that there was "dissimilarity in the overall appearance of the Marks".

The Applicant argues that the Registrar did not properly consider the overall degree of resemblance between the parties' marks by failing to give full and proper consideration of how the marks appear on footwear, which is how the average consumer actually sees the Applicant's

and Respondent's trademarks in use. Moreover, the Applicant states that the Registrar was clearly wrong in applying the law relating to famous marks in the confusion analysis.

[6] The Applicant is not pursuing the section 30 ground of appeal challenge and the parties accept that the Trademarks Opposition Board's [TMOB] findings of fact in respect of the factors relating to likelihood of confusion favor the Applicant, insofar as sections 6(5)(a) to 6(5)(d) of the Act are concerned.

[7] It is admitted by the Applicant that the key issue in considering non-entitlement under section 16 of the Act, confusion under section 12(1)(d) of the Act, and non-distinctiveness under section 2 of the Act, rests in deciding whether there is a likelihood of confusion. While different material dates apply for each ground (discussed below), the confusion analysis under section 6(5)(e) of the Act is the same.

[8] The Applicant filed new evidence in the form of an affidavit from Eshleen Panatch on this appeal, showing how the Respondent's trademarks are used on footwear in Canada as of July, 2014, as well as showing the parties' respective channels of trade and target consumers. However, that evidence is subsequent to the relevant dates for determining the issue of likelihood of confusion for any of the grounds of opposition.

[9] The Respondent did not file any additional evidence.

[10] The substantive question at the heart of this appeal is whether the degree of resemblance between the parties' trademarks is such that there is a likelihood of confusion between them?

II. Issues

[11] The issues in the present appeal are as follows:

- A. What is the appropriate standard of review?
- B. Did the Registrar err in the section 6(5)(e) analysis of confusion and her assessment of the degree of resemblance between the parties' trademarks, in:
 - i. failing to consider how the trademarks appear on the wares themselves (footwear) and how that would impact the matter of first impression of the trademarks on the average consumer; and
 - ii. failing to properly consider how the fame and notoriety of adidas' 3-Stripes trademarks would affect the perspective of the average consumer in assessing the likelihood of confusion?

[12] For the reasons that follow, I dismiss the appeal.

III. Standard of Review

A. *What is the appropriate standard of review?*

[13] The parties are agreed on how the standard of review should be determined, but not how it should be applied. The appropriate standard of review of an appeal made under section 56 of the Act depends on whether or not new evidence has been filed that would have materially affected the Registrar's decision. Where such evidence has been filed, the standard of review of the Registrar's decision is correctness. Where such evidence has not been filed, the Registrar's decision is to be reviewed on a standard of reasonableness (*Molson Breweries v John Labatt Ltd*, [2000] 2 FC 145 at para 51).

[14] As stated by Justice Layden-Stevenson in *Vivat Holdings Ltd v Levi Strauss & Co*, 2005 FC 707 at page 17:

...the new evidence must be sufficiently substantial and significant. If the additional evidence does not go beyond what was in substance already before the board and adds nothing of probative significance, but merely supplements or is merely repetitive of existing evidence, then a less deferential standard is not warranted. The test is one of quality, not quantity.

[15] In this case, I do not find that the new evidence filed is material and would have affected the Registrar's decision. The evidence in the Panatch Affidavit relates to Globe's and adidas' footwear bearing the parties' respective design marks purchased from retail stores in the Vancouver area in 2014. However, the same type of evidence of shoes sold by both Globe and adidas was considered by the Registrar:

- a) evidence in the form of website printouts of various webpages from websites offering Globe's shoes bearing the Stripe Designs for sale was included in the Second Anastacio Affidavit; and
- b) representative images of footwear, apparel and accessories bearing the 3-Stripes Design, as sold in Canada since 2005, were before the Registrar in the Ralph Affidavit, Exhibit 7 (para 19).

[16] adidas argues that this evidence would have materially affected the Registrar's findings of fact or the exercise of her discretion given that it highlights important visual cues that must be considered in assessing the overall degree of visual resemblance, such as proportion, angle, placement and degree of contrast of the marks on the footwear. While I agree that these visual cues may be relevant, I do not agree that they would have materially affected the Registrar's decision.

[17] As stated by the Registrar at para 51 of the decision:

The Opponent submits that screenshots of the Applicant's footwear attached as Exhibit "E" of the Supplemental Anastacio affidavit suggest that both parties' marks are positioned in a similar manner on footwear, which serves to further emphasize the similarities between the parties' marks. The said screenshots pertain to websites purported to show the sale of the Applicant's footwear in foreign markets, not in Canada. As noted, there is no evidence of use of the Marks in Canada in association with any of the applied for wares, including footwear. Accordingly, I do not consider this to be a significant surrounding circumstance in the present case. Even if I were to accept these screenshots as representative of the manner in which the Marks are applied to the Applicant's footwear sold in Canada, it would not alter the outcome of my overall confusion analysis, as I do not find there to be a sufficient degree of resemblance between the Opponent's 3-Stripes Design and the Marks for there to be a likelihood of confusion.

[18] Moreover, the evidence in the Panatch Affidavit was obtained in July of 2014, and as such falls outside of the range of relevant dates of assessment of the grounds of opposition at issue in this appeal:

- a) S. 12(1)(d) registrability – relevant date is the Registrar's decision (April 25, 2014);
- b) S. 16(1) entitlement – relevant date is the alleged date of first use of the 3-Stripes Design (June 2008);
- c) S. 16(3) entitlement – relevant date is the date of filing of the Applications (February 18, 2008 for Left Stripe Design and August 18, 2008 for the Right Stripe Design); and
- d) S.2 distinctiveness – relevant date is the date of filing of the statement of opposition (April 30, 2010).

[19] The result is that the appropriate standard of review is reasonableness. However, even if I was to find that the new evidence was material, thus justifying the standard of correctness to be applied, I find that the Registrar's decision was both reasonable and correct.

B. *Did the Registrar err by failing to properly consider the degree of resemblance and evidence of how the parties' trademarks appear on footwear?*

[20] The material dates for this opposition are set out in paragraph 17 above.

[21] While the evidence before the Registrar covered goods bearing adidas' 3-Stripes Design beyond footwear, the Applicant limits this application to the issue of resemblance and likelihood of confusion on footwear only.

[22] The Applicant bears the legal onus of establishing, on a balance of probabilities, that each of its applications 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 at 298).

C. *Did the Registrar err in failing to properly consider the fame and notoriety of the adidas' 3-Stripes Marks or assessing the degree of resemblance and likelihood of confusion?*

(1) Applicant's Evidence

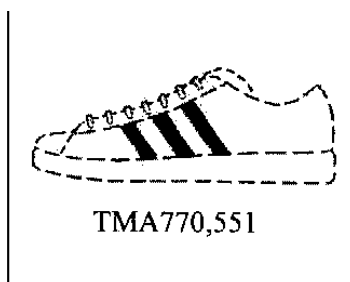
(a) *Stephen Ralph*

[23] Mr. Ralph has been the President of adidas Canada Limited since May 12, 2008, and has been employed by them in various capacities since 1989. adidas Canada is a wholly-owned subsidiary of adidas AG [adidas], and is the exclusive licensee and authorized distributor of adidas brand merchandise in Canada.

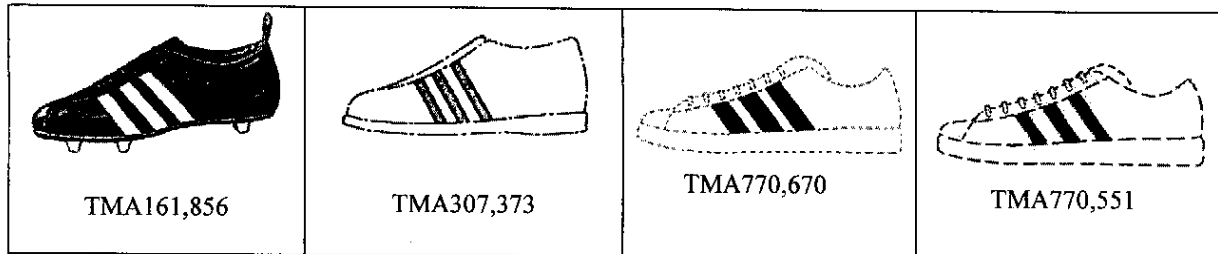
[24] adidas is the owner of numerous trademark applications and registrations for the 3-Stripes Design worldwide. This list includes the following Canadian trademark registrations [the 3-Stripes Marks]:

- TMA161,856;
- TMA307,373;
- TMA757,178
- TMA770,670
- TMA770,551
- TMA680,728
- TMA680,723
- TMA757,203
- TMA757,177
- TMA194,221
- TMA117,725
- TMA186,434
- TMA531,944

[25] The Registrar specifically referred to the 3-Stripes Mark registration TMA770,551 as representative of the adidas 3-Stripes Marks to compare to the Respondent's Stripe Designs:



[26] The Applicant characterizes the adidas family of trademarks as including the 3-Stripes Marks shown in four of adidas' Canadian trademark registrations:



[27] The adidas 3-Stripes Design is well-known, if not famous, in Canada and internationally.

[28] The 3-Stripes Design consists of three equally spaced parallel stripes. On footwear it is placed on the upper; this design first appeared in Canada as early as 1954. The 3-Stripes Design has also been used on apparel and accessories since the 1960's, and first appeared on clothing in Canada as early as 1967. These products are distributed to many third party retailers throughout Canada, as well as being available for sale in nineteen adidas stores, and online at www.shopadidas.ca, since 2005.

[29] The 3-Stripes Design has been consistently emphasized through adidas' advertising and promotional materials, and used to identify the brand at considerable expense. Mr. Ralph opined that most of adidas' advertising expenditures in Canada relate specifically to those that feature the 3-Stripes Design, though he admitted it is difficult to estimate exactly how much.

[30] adidas has used the following strategies to promote the 3-Stripes Design: print media; Canadian magazines and publications; advertisements on transit shelters, buses, billboards,

television commercials; website ads; digital media promotion; showroom designs; the adiZone program; and retail space design. They have also sponsored major sporting events, teams (both amateur and professional), individual athletes, and Olympic national teams and committees. adidas products have appeared in many mainstream films and music videos, as well as been a significant presence at the Olympic Games since 1928. It is Mr. Ralph's opinion that the 3-Stripes Design is the cornerstone of adidas' brand identity worldwide.

[31] Mr. Ralph included tables of the annual net sales of adidas footwear, apparel and accessories from the www.shopadidas.ca website from 2005-2009 in his affidavit, a "substantial portion" of which bore the 3-Stripes Marks. He also included the annual net sales of adidas footwear in Canada from 2001-2009, the "vast majority" of which bear the 3-Stripes Marks. He further included the annual net sales of adidas apparel in Canada from 2001-2009, more than half of which represent the sale of products bearing the 3-Stripes Marks. Finally, he included the annual net sales of adidas accessories in Canada from 2001-2009 a "substantial portion" of which represent sales of products bearing the 3-Stripes Marks.

[32] There is no question that adidas has established a very well-known, if not famous, reputation in the 3-Stripes Design as applied to footwear in Canada.

(2) Respondent's Evidence

(a) *Lillian Shneidman*

[33] Ms. Shneidman is a private investigator at King-Reed & Associates Inc., who was retained by counsel for the Applicant, to make purchases of various athletic shoes incorporating stripes on their designs.

[34] Ms. Shneidman attended at Payless Shoe Store at Hillcrest Mall in Richmond Hill, Ontario on May 14, 2011. She purchased one pair of Champion brand shoes and one pair of State Street brand shoes. On the same day she also purchased one pair of Puma brand shoes and one pair of K Swiss brand shoes at the Foot Locker in the same mall. She also attended at the Zellers there and purchased one pair of SporTek brand shoes, and one pair of Reebok brand shoes.

[35] On May 16, 2011, Ms. Shneidman attended at Hammer Skateboard store in Toronto, Ontario and purchased one pair of Lakai brand shoes and one pair of DVS brand shoes. On that same day, she attended at the Bay in Hillcrest Mall and purchased one pair of Timberland brand shoes and one pair of Skechers brand shoes.

(b) *Elenita Anastascio*

[36] Ms. Anastascio has been a trademark searcher for Sim & McBurney for over twenty years. On May 26, 2011, she conducted searches of Canadian online retail websites that sell athletic shoes. She included with her affidavit printouts from www.footlocker.ca,

www.sportcheck.ca, www.a51.ca, and www.sportinglife.ca portraying athletic shoes that include stripes on the design of their uppers.

[37] On November 2, 2011, she also conducted a search in the following locations:

- the Canadian Trademarks Office online database for application numbers 1,407,569 and 1,407,601;
- the Australian Trademarks Office online search system for trademark numbers 1224825, 1224826, 638734, 764139, 924921, and 1120119;
- the OHIM CTM Online database for trademark numbers 0977286, 0977287, 005271572, 0033517646;
- the US Patent and Trademark Office database for trademark numbers 3728522, 3731547, 1815956, 1833868, 2278589, 2179796, 2411802, 2999646, 3029129, 3029135.

[38] Ms. Anastascio personally printed off the full particulars of the marks she found at each of the above locations and included them as exhibits to her affidavit.

[39] On November 2, 2011, she conducted a search of particular URLs which linked to pages advertising athletic shoes incorporating stripes into the design of their uppers.

(3) New Evidence of the Applicant

(a) *Eshleen Panatch*

[40] Ms. Panatch was an articling student with Gowling Lafleur Henderson LLP. On July 3, 2014, Ms. Panatch reviewed the website at www.globe.tv and called the stores listed in the Vancouver area to investigate if they carried the Globe Destroyer, Encore, or Pulse models. The latter two models appear on the website, but the Destroyer does not.

[41] Many of the stores phoned by Ms. Panatch were no longer in business and the remainder did not carry the requested models. She proceeded to call other skateboard stores in and around Vancouver, eventually reaching Journeys in Richmond Centre, and Sequence Board Supply in Squamish on July 3, 2014. Journeys informed her that they had a Globe Encore model shoe, and Sequence had a Globe Pulse model shoe. Ms. Panatch attended at Journeys that same day and purchased a pair of Globe Encore shoes and adidas Seeley model shoes.

[42] On July 7, 2014, she attended at Sequence Board Supply and purchased a pair of Globe Pulse shoes. On July 16, 2014, Ms. Panatch reviewed the website of Area 51, an online skateboard store, and purchased a pair of Globe Pulse model shoes and adidas Lucas model shoes.

IV. Analysis

[43] The Applicant invites the Court to find that the Registrar specifically erred in her analysis of the degree of resemblance and likelihood of confusion between adidas' 3-Stripes Marks as applied to footwear and the Respondent's Stripe Designs as applied to footwear:

- i. the Registrar failed to conduct a "first impression" analysis of "the average hurried consumer having an imperfect recollection of the Opponent's mark who might encounter the trademark of the application in association with the applicant's wares in the marketplace"; (in other words, on footwear in the marketplace, not as shown in the Respondent's applications) instead, the Registrar conducted a detailed comparison of the parties' trademarks in the abstract. While she acknowledged screen shots showing the Respondent's marks on footwear, she failed to consider the degree of resemblance on the basis of an imperfect recollection of the adidas 3-Stripes Marks and the average consumer's first impression of the Globe marks;
- ii. the Registrar, while properly stating the test for confusion that should be applied, did not do so in the context of the fame and notoriety of the adidas 3-Stripes Marks and how it would affect the perspective of the average consumer.

[44] The Applicant makes a novel argument, by inviting the Court to find that as one of the surrounding circumstances in determining the degree of resemblance and likelihood of confusion under section 6(5)(e) of the Act, for purposes of registrability of a trademark, I should: (i) compare the Globe Stripe Designs, as visually seen by the average consumer on the footwear in the marketplace (and not shown in the abstract as in the trademark applications), and (ii) have regard for a heightened mental and visual association of the dominant, repetitive pattern of stripes, running diagonally down the side of adidas' footwear, in the mid foot of the side of the shoe, to (iii) find an overall degree of resemblance likely to lead to confusion in consumers.

[45] As stated by Justice Rothstein of the Supreme Court of Canada in *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 at para 49:

...the degree of resemblance, although the last factor listed in s. 6(5), is the statutory factor that is often likely to have the greatest effect on the confusion analysis...if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion...

[46] The parties are agreed as to the test for likelihood of confusion under section 6(2) of the Act:

The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the name Cliquot on the respondents' storefront or invoice, at a time when he or she has no more than an imperfect recollection of the VEUVE CLICQUOT trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks...

Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée, 2006 SCC 23

[47] It was also agreed that while the Respondent's evidence of use of third party stripe design trademarks on footwear in the Canadian marketplace may have impacted and perhaps limited the scope of protection and distinctiveness for the adidas 3-Stripes Marks on footwear in this country, the Registrar was correct in discounting that evidence, (i) as being hearsay, (ii) without evidence of Canadians having visited or purchased footwear from the websites relied upon (Anastacio Affidavits), or (iii) evidence of duration or extent of sales of footwear bearing stripe designs in Canada by third parties (Shneidman Affidavit). Moreover, some of the designs on footwear purchased by Ms. Shneidman were not relevant due to high levels of dissimilarity (Puma, Reebok and Timberland).

[48] I agree that the state of marketplace evidence in Canada of the Respondent was not a significant surrounding circumstance in determining likelihood of confusion or distinctiveness in this case.

[49] I also find that evidence of use of the Globe Stripe Designs on footwear in foreign countries is not relevant in making a decision on likelihood of confusion in this case, except to the extent that the Registrar considered screenshots of the Globe footwear in Exhibit "E" of the Supplemental Anastacio Affidavit, in her review of the manner in which the Globe Stripe Designs may be applied to footwear in Canada (para 51 of her decision).

[50] Both parties relied on the decision in *British Drug Houses, Ltd v Battle Pharmaceuticals* (1944), 4 CPR 48 [British Drug Houses].

[51] The Applicant refers to a quote from Brett L.J. in *British Drug Houses*, above, at p 56:

there is nothing in the statute to prevent the trade-mark which is registered from being used in any colour. Therefore, it seems to me that the proper construction is that where a trade-mark is registered, it is not merely the outline or design as printed in the advertisement in black, or black and white, which is to be protected, but that which is to be protected is the trade-mark as it may be used or will be used in the ordinary course of trade, that is, in any colour.

to support the argument that the Court should not merely look at a trademark in a registration or application when considering confusion, but should consider how the trademark is actually used in the ordinary course of trade.

[52] However, Thorson P. goes on to say in the next line:

It follows from this statement that the mark must be divorced from any particular use that may be made of it and should be considered in relation to any normal and ordinary use

[53] This position is consistent with the Respondent's reliance on this same case, for the proposition that it is not proper to consider surrounding circumstances in the context of degree of resemblance and likelihood of confusion, when deciding registrability of a trademark, in light of registered or unregistered trademarks asserted against that registrability. As Thorson P. stated at page 55:

From this statement it follows, I think, that the Court must not allow its consideration of the main issue, namely, whether there is a likelihood of confusion in the minds of dealers or users as a result of the use of the mark in dispute, to be deflected by taking irrelevant matters into account. The respondent filed samples of the bottles in which the respective preparations of the parties are sold. These differ somewhat in shape and there are differences in the labels. The Court is not concerned with the bottles in which the

preparations are sold or the labels on them but with the trade marks under which they are put out. It is the effect of the trade marks, and not of the bottles or labels, that must be considered. If the use of the marks on the wares is likely to result in confusion as to the wares, differences in the bottles or labels might serve to lessen the confusion but do not eliminate it. Differences in the bottles or labels cannot turn similar trade marks into dissimilar ones. Such differences have nothing to do with the issue before the Court, for there is no reason why either party should continue the use of the present bottles or labels and nothing to prevent either of them from changing the present shape of the bottles or form of the labels. Neither the bottle nor the label is part of the trade mark. The protection given by the registration extends to any normal use of the trade mark and is not confined to any particular use of it such as its use with a particular shape of bottle or on a particular form of label.

(emphasis added)

[54] Accordingly, while I agree with the Applicant that the marks should be considered as they are seen in actual, ordinary use, the “visual cues”, aside from the marks being used on footwear, are not relevant to the determination of likelihood of confusion in the context of registrability of a trademark.

[55] The appropriate question to be answered, in my opinion, is simply whether the public will likely be confused, not whether one party may gain and the other lose, as a result of the two parties using their respective marks in the marketplace. More importantly, will the average consumer, as a matter of first impression in seeing the proposed Globe Stripe Designs on footwear, in the absence of the adidas 3-Stripes Marks, and only in view of his or her general recollection of what the nature of the adidas 3-Stripes Marks on footwear is, be liable to be deceived and think the Globe Stripe Designs are the adidas 3-Stripes Marks, of which he or she has only this general recollection.

[56] In my opinion, the Registrar was reasonable, and in fact correct, in finding that based on the evidence before her, there was sufficient difference between adidas' 3-Stripes Marks and the Globe Stripe Designs to find no likelihood of confusion.

[57] She reasonably assessed the marks in their totality, bearing in mind those striking or unique features of each mark in the overall design, rather than its individual components.

[58] The fact that she referred to the screenshots of the Respondent's footwear in foreign markets to consider the representative manner in which the Globe Stripe Designs would be applied to the Respondent's footwear in Canada negates the Applicant's argument that she failed to consider the application of the Globe Stripe Designs to footwear, and makes the new evidence of Ms. Panatch immaterial to the outcome of the Registrar's decision.

[59] In any event, I find that the impact of the overall visual representation of the Globe footwear and adidas footwear in Court at the hearing, and the screenshots viewed by the Registrar, is essentially the same. It was both reasonable and correct for the Registrar to find sufficient dissimilarity between the 3-Stripes Marks, as applied to footwear, and the Globe Stripe Designs, as applied to footwear, to decide there is no likelihood of confusion.

[60] Further, while the marks should be considered as they are or may be seen in actual, ordinary use in the Canadian marketplace, they should not be merely viewed as side by side samples presented in Court. Yet that is exactly what the Applicant achieved in presenting the

exhibits to the Panatch Affidavit to me (Fox on Canadian Law of Trademarks and Unfair Competition, vol 1, K Gill, ed, 4th (Toronto, Carswell 2002) pages 8-53).

A. *Did the Registrar fail to consider how the fame and notoriety of the adidas' 3-Stripes Design would affect the perspective of the average consumer in assessing the likelihood of confusion?*

[61] The Registrar reasonably and correctly considered the notoriety and fame of the adidas' 3-Stripes Marks at paragraphs 52 and 53 of her decision. Notwithstanding that fame and notoriety, I agree with the Registrar that adidas' scope of protection for its 3-Stripes Marks does not result in a finding of a likelihood of confusion with the Globe Stripe Designs. The Registrar's reference to the Globe Stripe Designs as being a "single stripe with a geometric design", or as "an oblique serrated strip parallel to an undefined geometric plane figure, reminiscent of a rotated trapezoid with a concave base", is not, in my opinion, a detailed minute comparative description of the Globe Stripe Designs, but a characterization to put them in context in her decision.

[62] The description may seem more in line with the archaic language used in industrial design descriptions, but nevertheless, is a fair and reasonable view of the Globe Stripe Designs in reviewing the issue of likelihood of confusion between the parties' respective trademarks in light of adidas' fame and notoriety for their 3-Stripes Marks on footwear.

[63] Fame and notoriety associated with a trademark can be a double-edged sword for a trademark owner. On the one hand, an enhanced reputation may provide the owner with extended protection for the trademark beyond goods and/or services covered by a registration for

the marks when the relevant public is likely to believe that the use of that mark, or a similar mark, on those other goods and/or services indicates that they probably emanate from the same source.

[64] On the other hand, when a trademark becomes so well known or famous that the public is so familiar with it and readily identifies that trademark as used in the marketplace on goods and/or services, it may be that even as a matter of first impression, any differences between the well-known mark and another party's trademark, as used on the same or similar goods and/or services, may serve to more easily distinguish the other party's trademark and reduce any likelihood of confusion.

(1) Distinctiveness

[65] Given my findings on likelihood of confusion above, I also find that the Registrar's decision that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between its Globe Stripe Designs and adidas' 3-Stripes Design in association with footwear and that the Respondent's Globe Stripe Designs are and were distinctive as of the date of filing of the Statement of Opposition.

JUDGMENT

THIS COURT'S JUDGMENT is that:

1. The application is dismissed;
2. Costs to the Respondent.

"Michael D. Manson"

Judge

FEDERAL COURT

SOLICITORS OF RECORD

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STYLE OF CAUSE: ADIDAS AG v GLOBE INTERNATIONAL NOMINEES
PTY LTD

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