



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2015 TMOB 177
Date of Decision: 2015-09-30

IN THE MATTER OF AN OPPOSITION

Les Montres Marciano Inc.	Opponent
and	
Guess? IP Holder L.P.	Applicant
1,479,129 for GUESS BY MARCIANO	Application

[1] Guess? IP Holder L.P. has applied for the trade-mark GUESS BY MARCIANO (the Mark) in association with various goods and services, including jewellery and other personal fashion accessories. Les Montres Marciano Inc. opposes this application on various grounds of non-compliance with section 30 of the *Trade-marks Act*, RSC 1985 c-T-13 (the Act), as well as on allegations that the Mark is likely to be confused with the Opponent's trade-name Les Montres Marciano Inc. and/or the Opponent's registered trade-mark SPORT MARCIANO & Design, previously used in association with watches.

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

File Record

[3] The Applicant filed its application for the Mark on April 29, 2010 in association with the following goods and services:

Goods:

(1) Paper, cardboard and goods made from these materials, namely, photographs, shopping bags, paper bags, shoe boxes, printed matter, namely, advertising catalogues, agendas, day planners, calendars, and travel guides, stationery, namely, paper, envelopes, boxes, folders, tabs, and portfolios, office requisites, namely, binders, notebooks, file folders, note pads, pencil holders and portfolio covers; men's and women's apparel, namely, underwear, shoes and boots, swimwear, headwear, namely, hats, caps, headbands, bandanas, and headscarves, robes, pajamas, hosiery, gloves, suspenders, belts, neckties, undershirts, socks, shirts, t-shirts, sweatpants, sweatshirts, knit tops, skirts, pants, trousers, shorts, sweaters, jeans, vests, coats, jackets, overalls, blazers, dresses, scarves, blouses, cardigans, gowns, golf shirts, jogging suits, turtlenecks, suits and polo shirts; women's panties, bras, tank tops, crop tops, bustiers, camisoles, tap pants, rompers and teddies; men's briefs and boxer shorts; eyewear, namely sunglasses, eyeglass frames, and cases for eyewear; jewelry, including bracelets, charms, earrings, rings, necklaces, brooches, toe rings, tie clips, lapel pins, cuff links, key rings, headbands, belt buckles, belts; leather and imitation leather goods, namely purses, wallets, handbags, luggage, key cases, business card cases, passport cases, change purses, cosmetic bags, jewellery cases, wristlets, organizers, backpacks, messenger bags, man bags, attaché cases, umbrellas and briefcases.

(2) Soaps, namely, body care soap, skin soap; perfumes

Services:

(1) Retail store services in the field of men's and women's apparel and personal fashion accessories.

[4] The application claims use in Canada since at least as early as February 1996 on goods (1) and on services and use in Canada since at least as early as June 01, 2004 on goods (2).

[5] A statement of opposition was filed by the Opponent on August 1, 2012. It is based on the following grounds of opposition: sections 30(b), 30(i), 12(1)(d), 16(1)(a) and (c) and 2 (distinctiveness) of the Act. The Applicant filed a counter statement on January 18, 2013, denying each of the grounds of opposition.

[6] The Opponent filed as its evidence a certified copy of its registration No. TMA600,451 for the trade-mark SPORT MARCIANO & Design. The Applicant's evidence comprises the affidavit of Ms. Theresa McManus. Ms. McManus was not cross examined.

[7] Both parties submitted written arguments. The Opponent requested an oral hearing. While both parties had indicated that they would attend the oral hearing, only the Applicant attended.

Onus

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

Preliminary Issue

[9] One of the grounds pleaded under section 38(2)(a) is that the subject of the application is not a trade-mark as defined in section 2 of the Act because it cannot be used for the purpose of distinguishing or so as to distinguish the goods of the Applicant from the goods and services of the Opponent. In my view, this pleading does not raise a ground of non-conformance with any of the enumerated requirements of section 30. Instead, this ground appears to be based on the general allegation that the application does not comply with section 2 of the Act because the Mark applied for is not a trade-mark because it cannot be used to distinguish its goods from the goods of the Opponent. As I do not consider this to be a proper ground of opposition, this pleading fails.

Grounds of Opposition Summarily Dismissed

Non-compliance - Section 30(i)

[10] The Opponent pleads that the application for the Mark does not comply with section 30(i) of the Act because on the filing date of the application the Applicant was not entitled to use the Mark since it knew or should have known that the Mark was confusing or likely to be confused with the Opponent's registered trade-mark SPORT MARCIANO & Design and/or trade-name Les Montres Marciano Inc. previously used in Canada in association with watches.

[11] The Opponent has not filed any evidence which can support this ground. Mere knowledge of the existence of the Opponent's trade-mark or trade-name does not in and of itself support an allegation that the Applicant could not have been satisfied of its entitlement to use the Mark [*Woot, Inc v WootRestaurants Inc Les Restaurants Woot Inc*, 2012 TMOB 197 (CanLII)]. Accordingly, this ground of opposition is dismissed.

Non-registrability - Section 12(1)(d)

[12] The Opponent pleads that the Mark is not registrable because it is confusing with its trade-mark SPORT MARCIANO & Design (registration No. TMA600,451), registered in association with watches.

[13] The material date to assess a section 12(1)(d) ground of opposition is the date of my decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)]. The only evidence filed by the Opponent in this proceeding is a certified copy of its registration for this mark. I have exercised my discretion to check the register to confirm whether it is extant [*Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. I confirm that the Opponent's trade-mark was expunged on June 17, 2015. In view of this, the Opponent has not met its initial burden with respect to this ground and it is therefore dismissed.

Non-entitlement – Section 16(1)(a)&(c)

[14] The Opponent pleads that the Applicant is not the person entitled to registration of the Mark in view of its prior use of its trade-mark SPORT MARCIANO & Design or its trade-name Les Montres Marciano Inc. With respect to this ground of opposition, there is an initial burden on the Opponent to evidence use of its trade-mark or trade-name prior to the Applicant's claimed dates of first use and to establish that it had not abandoned its trade-mark or trade-name as of the date of advertisement of the Applicant's application [section 16(5)].

[15] The Opponent has not provided any evidence of use of its trade-mark or trade-name. It has therefore failed to meet its initial burden in respect of this ground. Accordingly, these grounds of opposition are also dismissed.

Non-distinctiveness – Section 2

[16] The Opponent pleads that the Mark does not distinguish and is not adapted to distinguish the Applicant's goods from those of the Opponent, in association with which it has used its aforementioned trade-mark and trade-name.

[17] In order to satisfy its initial burden with respect to a distinctiveness ground of opposition, an opponent's evidence must show that its trade-mark or trade-name had become known sufficiently as of the commencement of the opposition to negate the distinctiveness of the applied-for trade-mark [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 2004 FC 1185 (CanLII), 34 CPR (4th) 317 (FC) and *Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 at 58 (FCTD)].

[18] The Opponent has not filed any evidence of use. It has therefore failed to meet its initial burden in respect of this ground. Accordingly, this ground of opposition is also dismissed.

Analysis of Remaining Grounds of Opposition

Non-compliance – Section 30(b)

[19] The Opponent pleads that the application for the Mark does not comply with section 30(b) of the Act as the Applicant has not used the Mark in association with each of the goods and services set out in the application continuously since the claimed dates of first use or at all. In addition, the Opponent has submitted that if there has been use in Canada, it has not been in compliance with section 50 of the Act.

[20] The material date for considering the circumstances with respect to this ground of opposition is the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB)].

[21] While the legal burden is upon the applicant to show that its application complies with section 30 of the Act, there is an initial evidential burden on the opponent to establish the facts relied upon by it in support of its section 30 ground [*Joseph E Seagram & Sons Ltd v Seagram Real Estate Ltd* (1984), 3 CPR (3d) 325 at 329 (TMOB); and *John Labatt Ltd v Molson*

Companies Ltd (1990), 30 CPR (3d) 293 (FCTD)]. With respect to section 30(b) in particular, it has been held that the evidential burden on the opponent is less than in the ordinary case because while the opponent has “opportunities of knowledge”, the relevant facts pertaining to a ground of opposition based on section 30(b) of the Act are more readily available to the applicant [*Tune Master v Mr P’s Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB)].

[22] An opponent can meet its initial burden under section 30(b) by reference not only to its own evidence but also to the Applicant's evidence [*Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) 216 (FCTD) at 230]. In cases where an opponent has relied upon the applicant’s evidence in order to meet its evidential burden for a section 30(b) ground of opposition, it has been held that in order to do so, the opponent must show that the applicant’s evidence is “clearly inconsistent” with the claims set forth in its application [*Ivy Lea Shirt Co v 1227624 Ontario Ltd* (1999), 2 CPR (4th) 562 at 565-6 (TMOB), affirmed 2001 FCT 252 (CanLII), 11 CPR (4th) 489 (FCTD)].

[23] Recently, the Federal Court has described this burden as being slightly higher than the “lesser” burden described above [*Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd*, 2014 323 at paragraphs 30-38 (CanLII)]. The Federal Court has therefore now instructed that an opponent may successfully rely upon an applicant's evidence to meet its initial burden if the opponent shows that the applicant's evidence puts into issue the claims set forth in the applicant's application.

[24] In the present case, the Opponent is relying on the evidence which has been filed by the Applicant (the McManus affidavit) in order to meet its initial evidential burden. For reasons which I will discuss below in more detail, I do not find the Applicant’s evidence sufficient for the Opponent to meet even a light initial evidential burden.

McManus Affidavit

[25] According to Ms. McManus, Guess is a world-renowned designer, manufacturer, marketer, distributor, and licensor of fashion apparel, accessories and related consumer products. It has been a publicly traded company, listed on the New York Stock Exchange since 1996, and

as of its last fiscal year end (February 2, 2013), Guess reported a net revenue of approximately \$2.658 billion dollars (McManus, para. 3).

[26] Guess? Inc. or Guess? IP Holder L.P., a wholly owned subsidiary of Guess? Inc., is the owner and licensor of a portfolio of internationally well-known brands under the Guess umbrella, including GUESS, GUESS?, GUESS BY MARCIANO and MARCIANO, among others. These lines include full collections of clothing as well as a broad range of products that complement the apparel lines (McManus, para. 10).

[27] At the wholesale level, products are sold primarily through well-known department stores including The Bay in Canada and select specialty retailers and upscale boutiques. Operating in Canada since 1989, Corporation Guess? Canada, a subsidiary of Guess?, Inc. and licensee of Guess? IP Holder, has operated retail stores in Canada in association with the GUESS, GUESS BY MARCIANO and MARCIANO trade-marks. As of February 2, 2013, Corporation Guess? Canada had 114 Canadian stores, 21 of which were the highly popular GUESS BY MARCIANO or MARCIANO stores (McManus, paragraphs 25 & 27, Exhibit B). Products sold in association with the Mark are also sold online through e-commerce websites.

[28] The GUESS BY MARCIANO and MARCIANO trade-marks appear prominently on branded apparel and accessories, as well as on labels, stickers, product packaging, hangtags, hangers and store signage. In evidence are photos of products demonstrating the manner in which GUESS BY MARCIANO brand products have been sold and marketed in Canada since at least as early as 1996, and MARCIANO branded products since at least as early as 2004 (McManus, paragraphs 30 & 31; Exhibit C).

[29] Sales of GUESS BY MARCIANO and MARCIANO brand products in Canada have been significant over the years. By way of example, net sales of GUESS BY MARCIANO and MARCIANO brand products in Canada broken down by year for the period from 2004-January 2013 have been in excess of \$206 million (McManus, para 32).

[30] A large emphasis has been placed on advertising and promoting the GUESS trade-mark portfolio in Canada, including the GUESS BY MARCIANO and MARCIANO trade-marks. Such advertising and promotion of these marks has occurred, for example, in the form of indoor

signage, roadside billboards, bus shelter posters, magazine advertisements, catalogues, brochures, postcards, point of sale displays, clothing labels, hangtags, shoe boxes, shopping bags, and through the prominent display on GUESS websites as well as social media sites including Facebook, Twitter and Pinterest. Ms. McManus also provides a selection of representative promotional materials feature the GUESS BY MARCIANO trade-mark. These materials are representative of how the GUESS BY MARCIANO and MARCIANO marks have been extensively promoted and advertised in Canada for many years, in association with retail services, apparel and accessories (McManus, paragraphs 36-40, Exhibits E, F, G and H).

[31] In its written argument, the Opponent points to a number of alleged deficiencies in the McManus affidavit. Although I agree with the Opponent that the Applicant's evidence is not as precise as it might be, the Applicant was not obliged to prove use of the Mark in association with each of the applied for goods and services in Canada pursuant to section 4(1) of the Act as of its claimed dates of first use until the Opponent had met its initial burden. There are no patent contradictions in Ms. McManus' affidavit evidence. Further, I am satisfied that she has shown evidence of use of the Mark in Canada and she has also provided sworn statements that the Mark has been continuously used since the claimed dates of first use in the application. In the absence of cross-examination and/or evidence to the contrary from the Opponent, I have no reason to doubt the veracity of her statements or draw negative inferences from any shortcomings in her evidence.

[32] The Opponent has also alleged that even if there was some evidence of use of the Mark in Canada, the evidence is unclear regarding which corporate entity was using the claimed mark in Canada. The Opponent asked the following questions on page 7 of its written argument:

Has the user been Guess? IP Holder? Is there a license agreement between the "owner" and the licensee? None has been produced. What control, if any, was in fact exercised if the use was by someone other than the owner of the claimed mark? If the user was someone other than the owner of the claimed mark, what notice, if any, was in fact exercised if the use was by someone other than the owner of the claimed mark? If the user was someone other than the owner of the claimed mark, what notice, if any, was given to the public that the mark was being used under license?

[33] I will begin by noting that Ms. McManus explained at paragraph 10 of her affidavit that the Applicant, a wholly owned subsidiary of Guess? Inc., is the owner and licensor of a portfolio

of internationally well-known brands under the Guess umbrella, including, *inter alia*, GUESS, GUESS BY MARCIANO, and MARCIANO. At paragraph 25 she explains that Corporation Guess? Canada, a subsidiary of Guess?, Inc. and licensee of the Applicant, offers retail store services in Canada in association with the GUESS, GUESS BY MARCIANO and MARCIANO trade-marks. She maintains at paragraph 26 that at all times, the Applicant and its predecessors-in-title before it, have, under license, retained control or indirect control of the character and quality of the goods and services offered by licensees in Canada in association with its marks.

[34] I also note that the Applicant is not required to produce a copy of a written license agreement. Further, there is no obligation to give public notice that the use of a trade-mark is licensed use. Finally, the evidence of the Applicant concerning the licensing and control of its trade-mark remains unchallenged by either cross-examination or contrary evidence. The Opponent chose not to cross-examine Ms. McManus to obtain answers to those questions which it now raises concerning use of the Mark. In the circumstances I have no basis on which to conclude that the applied for Mark has been licensed in a manner other than that prescribed in section 50(1). In view of the foregoing, I cannot conclude that the Opponent has met its initial evidential burden in respect of this ground. This ground of opposition is therefore rejected.

Disposition

[35] In view of the above, and pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(8) of the Act.

Cindy R. Folz
Member,
Trade-marks Opposition Board
Canadian Intellectual Property Office

Hearing Date: 2015-09-14

Appearances

No one appearing

For the Opponent

Stéphane Caron

For the Applicant

Agents of Record

Harold W. Ashenmil

For the Opponent

Gowling Lafleur Henderson

For the Applicant