



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

Citation: 2015 TMOB 60
Date of Decision: 2015-03-31

**IN THE MATTER OF AN OPPOSITION
by Arc’Teryx Equipment Inc. to
application No. 1,384,869 for the trade-
mark TERYX in the name of Kawasaki
Jukogyo Kabushiki Kaisha, also doing
business as Kawasaki Heavy Industries,
Ltd.**

Background

[1] Kawasaki Jukogyo Kabushiki Kaisha, also doing business as Kawasaki Heavy Industries, Ltd. (the Applicant) is a multinational company, based in Japan, with more than 100 companies, manufacturing plants, distribution centers and marketing and sales headquarters in most major cities in the world. It has been operating for over a century and has developed many areas of the transportation industry. It has become one of the leading companies in the motor sport industry around the world.

[2] Arc’Teryx Equipment Inc. (the Opponent) is in the business of and is well known for manufacturing and selling outdoor technical clothing and sporting goods. It has established a worldwide reputation for its high standards of manufacture and the quality of its products amongst athletes and other outdoor apparel consumers.

[3] The Applicant has applied to register the trade-mark TERYX (the Mark) based upon proposed use in Canada in association with land vehicles for off-road recreation and various types of clothing, footwear and headgear.

[4] The Opponent opposes the application primarily on the basis that there is a reasonable likelihood of confusion between the Mark and the Opponent's ARC'TERYX trade-mark and Arc'Teryx Equipment Inc. trade-name previously used in association with various types of mountaineering and rock climbing equipment, clothing, headwear and clothing accessories. The Opponent also alleges technical grounds of opposition based on non-compliance of the application under section 30 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act).

[5] For the reasons that follow, I refuse the application for certain goods but otherwise reject the opposition.

The Record

[6] On February 26, 2008, the Applicant filed application No. 1,384,869 for the registration of the Mark based on proposed use in association with the following goods:

(1) Land vehicles, namely, buggy type vehicles for off-road recreation designed to carry passengers and a payload of cargo; clothing for use in association with motor sports and motor recreation activities, namely t-shirts, polo shirts, sweat shirts, shirts, jackets, vests, wind vests, pants; footwear for use in association with motor sports and motor recreation activities, namely shoes and boots; headgear (not including helmets) for use in association with motor sports and motor recreation activities, namely hats and caps.

[7] The application was advertised on December 15, 2010. The Opponent filed a statement of opposition on April 8, 2011, based on the following grounds of opposition set out under section 38 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act): non-compliance with sections 30(a), 30(e) and 30(i), non-registrability under section 12(1)(d), non-entitlement under section 16(3) of the Act, and non-distinctiveness under section 2. As noted above, the determinative issue in this proceeding is the likelihood of confusion between the Mark and the Opponent's ARC'TERYX mark, registration No. TMA400,320, and application No. 1,510,800, or the Opponent's trade-name, i.e. Arc'Teryx Equipment Inc.

[8] The Opponent's ARC'TERYX mark is registered in association with the following goods (the Opponent's registered goods):

Mountaineering and rock climbing equipment namely: harnesses; slings; chalk bags; rope bags; gear bags; back packs; climbing trousers; climbing shirts; crack protection equipment namely: nuts; cams.

[9] The applied for goods under the Opponent's ARC'TERYX application No. 1,510,800 (the Opponent's applied for goods) are as follows:

- (1) Clothing, namely, pants, shorts, skorts, jackets, sweaters, hooded sweatshirts, shirts, tops, undergarments, casual wear and athletic wear.
- (2) Clothing accessories, namely, gloves, mittens, neck gaiters and scarves.
- (3) Headwear, namely, hats, caps and toques.
- (4) Bags, namely, athletic bags, travel bags, backpacks and messenger bags.

[10] The Applicant filed a counter statement on June 10, 2011, denying each of the grounds of opposition.

[11] As its evidence in chief, the Opponent filed the affidavit of Thomas A. Herbst, Consigliere (and former CEO) of the Opponent, dated June 30, 2012, the affidavit of Deanna Shannon, registered trade-mark agent with the Opponent's agent and certified copies of registration No. TMA400,320 (along with a certified copy of its certificate for renewal), application No. 1,510,800, and application No. 1,424,627 for the trade-mark ARC'TERYX VEILANCE & Design, shown below.



I note that this application was not referred to in any of the Opponent's grounds of opposition as pleaded.

[12] Neither of the Opponent's affiants was cross-examined.

[13] As its evidence, the Applicant filed two affidavits of Gladys Tibbo Witt, trade-mark agent with the Applicant's agent (one dated February 8, 2013, and one dated February 28, 2013), the affidavit of Christina Masouras, student-at-law with the Applicant's agent and the affidavit of

Fumoto Shirakata, Manager of Intellectual Property Development of the Applicant. Mr. Shirakata was cross-examined and the transcript and responses to undertakings form part of the record.

[14] As its evidence in reply, the Opponent filed a second affidavit of Thomas A. Herbst, dated December 30, 2013. Unless otherwise indicated, all references to the Herbst affidavit will be with respect to the first Herbst affidavit.

[15] Both parties filed a written argument and a hearing was held at which both parties were represented.

Onus and Material Dates

[16] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. There is, however, an initial 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 (FCTD) at 298; *Dion Neckwear Ltd v Christian Dior, SA* (2002), 20 CPR (4th) 155 (FCA)].

[17] The material dates that apply to the grounds of opposition are as follows:

- Section 38(2)(a)/Section 30 - the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- Section 38(2)(b)/Section 12(1)(d) - 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)];
- Section 38(2)(c)/Section 16(3)(a) – the filing date of the application; and
- Section 38(2)(d)/non-distinctiveness - the date of filing of the opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Preliminary Issue

[18] On February 6, 2015, three days prior to the hearing, the Applicant filed an amended application wherein the goods were revised as follows (as emphasized in bold):

(1) Land vehicles, namely, buggy type vehicles for off-road recreation designed to carry passengers and a payload of cargo; clothing for use in association with motor sports and motor recreation activities, namely t-shirts, polo shirts, sweat shirts, shirts, jackets, vests, wind vests, pants **sold through distributors or dealers of Kawasaki utility vehicles for off-road recreation; clothing for use in association with motor sports and motor recreation activities, namely t-shirts, polo shirts, sweat shirts, shirts, jackets, vests, wind vests, pants displaying the image of a Kawasaki motor vehicle thereon;** footwear for use in association with motor sports and motor recreation activities, namely shoes and boots **sold through distributors or dealers of Kawasaki utility vehicles for off-road recreation; footwear for use in association with motor sports and motor recreation activities, namely shoes and boots displaying the image of a Kawasaki motor vehicle thereon;** headgear (not including helmets) for use in association with motor sports and motor recreation activities, namely hats and caps **sold through distributors or dealers of Kawasaki utility vehicles for off-road recreation; headgear (not including helmets) for use in association with motor sports and motor recreation activities, namely hats and caps displaying the image of a Kawasaki motor vehicle thereon;**

[19] The proposed amendments, as I understand them, contain two restrictions to the goods. The first restriction is to the channels of trade. In this regard, the clothing, footwear and headgear are restricted to be sold through distributors or dealers of Kawasaki utility vehicles for off-road recreation. The second restriction is also for the clothing, footwear and headgear but does not include restriction as to their channels of trade. Instead, it is a restriction that the Mark can only be used on such goods if the goods also display the image of a Kawasaki motor vehicle thereon.

[20] Pursuant to Section 30 of the *Trade-mark Regulations*, SOR/96-195 (the Regulations), an application can be amended either before or after it has been advertised under section 37(1) of the Act, as long as the amendments are acceptable under sections 31 and 32 of the Regulations. As I considered the amendments acceptable under the Regulations, I told the parties at the hearing that the amendments had been made of record. I note that I have no authority under the Act or the Regulations to refuse an amended application even at such a late stage of the opposition if the amendment is acceptable under section 30 of the Regulations [*Lancome Parfums et Beaute & Cie et Cosmair Canada Inc v House of Devonshire Ltd* (1991), 38 CPR (3d) 432 (TMOB)].

Non-compliance – Section 30(i)

[21] The Opponent pleads that the application does not comply with the requirements of section 30(i) of the Act having regard to the Opponent's extensive use and registration of the trade-mark ARC'TERYX.

[22] Section 30(i) of the Act merely requires that an applicant declare in its application that it is satisfied that it is entitled to registration of its trade-mark. Where an applicant has provided the requisite statement, a section 30(i) ground should only succeed in exceptional cases, such as where there is evidence of bad faith on the part of the applicant [*Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. 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 Woot Restaurants Inc Les Restaurants Woot Inc* 2012 TMOB 197 (CanLII)].

[23] In the present case, the Applicant has provided the necessary statement and this is not an exceptional case. This ground is accordingly dismissed.

Non-compliance – Section 30(a)

[24] There are two issues to be determined under a section 30(a) ground of opposition: 1) whether the statement of goods is in ordinary commercial terms; and 2) whether it adequately identifies the specific goods [*Whirlpool SA v Eurotherm Holdings Ltd*; 2010 CarswellNat 4282 (TMOB) at para 39].

[25] The Opponent pleads that the following specific goods have not been defined in ordinary commercial terms in accordance with section 30(a) of the Act:

clothing for use in association with motor sports and motor recreation activities, namely t-shirts, polo shirts, sweat shirts, shirts, jackets, vests, wind vests, pants; footwear for use in association with motor sports and motor recreation activities, namely shoes and boots; headgear (not including helmets) for use in association with motor sports and motor recreation activities, namely hats and caps.

[26] As noted earlier, these goods have now been amended. I will therefore consider the objection against the goods as amended.

[27] The Opponent submits that the above goods are not described in ordinary commercial terms as there is no such thing as motor sports clothing, footwear or headgear, or motor recreation activity clothing, footwear or headgear. The evidence relied upon by the Opponent in support of this ground can be summarized as follows.

- The Opponent's affiant, Deanna Shannon, conducted a search using the Corsearch search platform, using the keywords "motor recreation activities", "headgear" and "not including helmets". The only hit located by the search for any of these terms was the Applicant's trade-mark application for TERYX;
- The evidence of the Applicant's affiant Mr. Shirakata shows that the Applicant's clothing items are merely casual long sleeved t-shirts and hooded sweat shirts and that its headgear is merely an ordinary cap; and
- Further evidence of Ms. Shannon demonstrates that motor recreation activities and sports would be things such as ATVing, Heli-skiing, 4x4ing and/or snowmobiling. However, there is no evidence from the Applicant specifying what, if any, particular types of clothing, footwear and or headgear are required for these types of activities nor has the Applicant provided any evidence that its goods contain any technical features that make them uniquely suited for use while engaging in motor sports and motor recreation activities.

[28] As I understand the Opponent's submissions, its objection focusses on the description "clothing, footwear and headgear for use in association with motor sports and motor recreation activities" rather than the goods which appear after the word namely for each of these items, that is, t-shirts, polo shirts, sweat shirts, shirts, jackets, vests, wind vests, pants; ... shoes and boots; and hats and caps.

[29] I agree with the Opponent that the meaning of the description "clothing, footwear or headgear for use in association with motor sports and motor recreation activities" is not readily apparent. However, while the Applicant has not shown what, if any, particular types of clothing, footwear or headgear may be required for these types of activities, there is no evidence that the goods as they are currently described could not be used for such activities. Further, when the statement of goods is read in its entirety, and bearing in mind that the description "for use in association with motor sports and motor recreation activities" merely serves to provide a context to the goods that follow, I am of the view that any ambiguity resulting from the description of the context is resolved by the acceptable identification of the goods in the remaining statement [*Target Brands, Inc v Neil Pryde Limited* 2014 TMOB 91]. Thus, I am satisfied that the goods

described as “clothing for use in association with motor sports and motor recreation activities, namely t-shirts, polo shirts, sweat shirts, shirts, jackets, vests, wind vests, pants; footwear for use in association with motor sports and motor recreation activities, namely shoes and boots; headgear (not including helmets) for use in association with motor sports and motor recreation activities, namely hats and caps” are in ordinary commercial terms and adequately identify the specific goods.

[30] Having regard to the foregoing, I dismiss the ground of opposition based upon section 30(a) of the Act.

Non-compliance – Section 30(e)

[31] The Opponent pleads that the application does not comply with the requirements of section 30(e) in that the Applicant does not intend to use the Mark in association with all of the goods set out in the application. The Opponent submits that the Applicant’s own evidence shows that its primary business is in vehicles, and that the clothing, footwear and headgear were merely “special promotional items”. In this regard, at paragraphs 12 and 20 of his affidavit, Mr. Shirakata refers to clothing, footwear and headgear as “strictly as promotional items”. Further, while Mr. Shirakata refers to sales of these goods and attaches a sampling of invoices, the Opponent submits that it is not evident from the invoices whether the clothing, footwear and headgear was ever sold in Canada or if they were provided for strictly promotional purposes to support the sales of the Applicant’s vehicles as the sales information was redacted. The Opponent submits that the Applicant has provided no reliable evidence to indicate that it ever intended to sell these items in Canada as required by section 30(e) as opposed to giving them away to customers to encourage vehicle purchases.

[32] I am not satisfied that the Opponent has met its initial burden under section 30(e) of the Act. In this regard, there is no requirement on the Applicant to show use of the Mark until it has been approved [*Molson Canada v Anheuser Busch* (2003), 29 CPR (4th) 315 (FCTD)]. Therefore, the fact that there is no evidence that the goods may not yet have been sold does not lead to the inference that the Applicant does not intend to sell them.

[33] This ground is therefore also dismissed.

Non-entitlement - Section 16(3)(a)

[34] The Opponent's section 16(3)(a) ground of opposition has been pleaded as follows:

The applicant is not the person entitled to registration of the applied for trade-mark in view of the provisions of section 16(3)(a) of the Trade-marks Act, more specifically, without limiting the generality of the foregoing, the opponent states, and the fact is, that at all relevant times the applicant's proposed trade-mark TERYX was, and is, confusing with the Opponent's trade-mark ARC'TERYX that had been previously used, and which continues to be used, in Canada by the opponent. At no time did the opponent abandon its use of its trade-mark in Canada.

[35] The wording of this ground lacks specificity in that it does not identify the goods in association with which the Opponent's mark had been previously used. However, as noted by the Opponent at the hearing, in determining the scope of the pleadings the evidence needs to be considered. In this regard, the Opponent's evidence shows many of the various clothing and headwear goods that its ARC'TERYX mark has allegedly been used. As I agree with the Opponent that any deficiencies in the pleading has been remedied by the Opponent's evidence, I will consider the use of the Opponent's mark in association with clothing and headwear goods under this ground: see *Novopharm Ltd v AstraZeneca AB* (2002), 21 CPR (4th) 289 at 293 (FCA).

[36] With respect to this ground of opposition, there is an initial burden on the Opponent to evidence use by it prior to the Applicant's filing date and non-abandonment of its mark as of the date of advertisement of the Applicant's application [section 16].

[37] The first affidavit of Mr. Herbst details the extensive use of the Opponent's mark in Canada. A summary of those most relevant parts of his affidavit regarding the use of the Opponent's mark in Canada is as follows:

- The Opponent began using the mark ARC'TERYX in Canada in 1991 in association with the Opponent's registered goods (para 12; Exhibit 9);
- At the time of filing its first trade-mark application for ARC'TERYX, the Opponent's business was geared towards mountain climbers but the focus changed as time went on and products geared towards other outdoor sports, and high quality casual and sportswear were added (para. 13);

- The Opponent filed a new application for the mark ARC'TERYX under application No. 1,510,800 on January 11, 2011 for the Opponent's applied for goods;
- The Opponent filed an application for ARC'TERYX VEILANCE & Design on January 15, 2009, based on proposed use with various casual business attire and accessories;
- In 1991, sales of the Opponent's "products" in Canada were approximately \$96,000 (para. 17);
- The Opponent's athletic clothing displaying the Opponent's mark is featured in catalogues and technical manuals dated between 2001 and 2010 (exhibits 10, 11, 12, 13, 14, 15, 16, 17, 18, 19);
- The Opponent has an apparel label policy which gives guidance to the Opponent's domestic and foreign contractors on how to label the garments so as to show the Opponent's brand identity (Exhibit 21);
- Between 2003 and 2011, the Opponent's gross annual sales in Canada for its products ranged between \$7,875,252 and \$37,153,165 (para. 17); and
- The Opponent provides a representative sample of invoices to Canadian retailers for the Opponent's branded products for the years 2003, 2005, 2008 and 2011 (exhibit 7).

[38] The Applicant's agent pointed to various deficiencies in the Opponent's evidence. Some of these deficiencies include the fact that the Opponent has not provided any breakdown of its total sales by specific product, there is no information about the circulation of the catalogues or technical manuals, there is no indication that the invoices submitted accompanied the goods at the time of transfer, and the labelling policy does not require the display of the Opponent's word mark on the clothing but accepts the Opponent's bird design (which comprises part of its ARC'TERYX VEILANCE and Design mark) as sufficient.

[39] I agree with the Applicant that the Opponent's evidence suffers from a number of evidentiary deficiencies. However, when considered in its totality, I consider that the Opponent's evidence is sufficient to show use of its trade-mark in association with various types of clothing and headwear. I am therefore satisfied that the Opponent has met its evidential burden under this ground.

[40] As the Opponent's evidentiary burden has been satisfied, the Applicant must therefore establish on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's trade-mark.

[41] The legal onus is on the Applicant to show that there would be no reasonable likelihood of confusion, within the meaning of section 6(2) of the *Trade-marks Act*. Section 6(2) does not concern the confusion of the marks themselves, but confusion of goods or services from one source as being from another source. In the instant case, the question posed by section 6(2) is whether there would be confusion of the Applicant's goods provided under the mark as emanating from or sponsored by or approved by the Opponent [*Glen-Warren Productions Ltd v Gertex Hosiery Ltd* (1990), 29 CPR (3d) 7 (FCTD) at 12].

test for confusion

[42] The test for confusion is one of first impression and imperfect recollection. 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 trade-marks or trade-names 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 trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

[43] This list of enumerated factors is not exhaustive and it is not necessary to give each one of them equal weight [see, in general, *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC)]. In most instances, the dominant factor in determining the issue of confusion is the degree of resemblance between the trade-marks in their appearance or sound or in the ideas suggested by them, and other factors play a subservient role in the overall surrounding circumstances [*Beverly Bedding & Upholstery Co v Regal Bedding & Upholstery Ltd* (1980), 47 CPR (2d) 145, conf. 60 CPR (2d) 70 (FCTD)]. In *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC), the Supreme Court of Canada considered the importance of section 6(5)(e) in conducting an analysis of the likelihood of confusion (see para 49) as follows:

...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. The other factors become significant only once the marks are found to be identical or very similar... As a result, it

has been suggested that a consideration of resemblance is where most confusion analyses should start.

[44] As the Supreme Court in *Masterpiece* began its consideration of the section 6(5) factors by considering the degree of resemblance between the marks, I shall follow its approach.

section 6(5)(e)--the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[45] The law is clear that when assessing confusion marks must be considered in their entirety [*British Drug Houses Ltd v Battle Pharmaceuticals*, [1944] Ex CR 239, at 251, affirmed [1946] SCR 50 and *United States Polo Assn v Polo Ralph Lauren Corp* (2000), 9 CPR (4th) 51 at para 18, aff'd [2000] FCJ No 1472 (CA)]. The Supreme Court has also advised in *Masterpiece*, however, that when comparing marks one should begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique.

[46] In the present case, while I find that both components of the Opponent's mark are unique, I consider the component ARC followed by the apostrophe to be the most striking feature of the Opponent's mark. In addition to being in the dominant first position of the Opponent's mark, the fact that the word ARC is followed by an apostrophe in the middle of the mark is quite distinctive. While the component TERYX is also unique, it is the combination of these two elements that makes the Opponent's mark distinctive.

[47] The Applicant has incorporated the second part of the Opponent's mark as its Mark. While the first components of the marks may not be the same, I still find there to be a considerable degree of resemblance between the marks in appearance and sound owing to the distinctiveness of the word TERYX. With respect to ideas suggested, according to Mr. Herbst in his first affidavit, the word ARC'TERYX is a coined word derived from the Latin term, *archaeopteryx lithographica*, which is the name of the fossil of the first reptile to develop the feather for flight, freeing itself from the constraints of the horizontal world (Herbst, para 6). I do not think that the average consumer, however, would be aware of the meaning of this word. I therefore do not think that the marks suggest any idea in particular.

[48] In view that I have concluded that there is a considerable degree of resemblance between the marks, according to *Masterpiece*, I must now consider whether any of the other surrounding circumstances is significant enough to demonstrate that there would be no reasonable likelihood of confusion as to the source of the parties' goods.

section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known

[49] Both parties' trade-marks are inherently strong. Both marks are coined words with no significance in relation to the parties' goods.

[50] While inherently strong, the Opponent's mark has also acquired distinctiveness as a result of promotion and use. In this regard, as shown above, the first affidavit of Mr. Herbst details the extensive use in relation to the Opponent's mark. The first Herbst affidavit also sets out the significant sales of the Opponent's products, extensive advertising and notable media attention in the form of industry awards and print and online articles (Herbst, paras 38-43; Exhibits 25-29). Based on the Opponent's evidence, I conclude that the Opponent's mark has become quite well known in Canada.

[51] The Applicant's Mark, on the other hand, is based on proposed use. This factor therefore favours the Opponent.

section 6(5)(b) - the length of time each trade-mark has been in use

[52] The length of time that each mark has been in use favours the Opponent.

sections 6(5)(c) and (d) - the nature of the goods, services or business; the nature of the trade

[53] The determining factors in the confusion analysis in the present case are sections 6(5)(c) and (d).

[54] When comparing the likelihood of confusion between two trade-marks, the approach to be taken will significantly differ depending on whether the comparison is made with a registered or an unregistered mark. As noted in *Suzuki Motor Corp v Hayabusa Fightwear Inc* (2014), 122 CPR (4th) 1 (FCTD) at para 46 which the Applicant brought to my attention:

“When dealing with a registered trade-mark, one must consider the entire scope of rights granted under the registration and its potential use must be considered as well as its actual use: *Masterpiece*, supra. The comparison will be much narrower when comparing an offending mark with an unregistered trade-mark, and will be restricted to the actual use of that mark.”

[55] Therefore, in the present case, it is the Applicant’s statement of goods as defined in its application versus the goods for which the Opponent has shown use of which governs my determination of this factor.

[56] I agree with the Applicant that the Applicant’s land vehicles are completely different from all of the Opponent’s goods.

[57] With respect to the remaining applied for goods of the Applicant, for ease of reference, I reproduce below the goods as they now read in the application:

...clothing for use in association with motor sports and motor recreation activities, namely t-shirts, polo shirts, sweat shirts, shirts, jackets, vests, wind vests, pants **sold through distributors or dealers of Kawasaki utility vehicles for off-road recreation**; clothing for use in association with motor sports and motor recreation activities, namely t-shirts, polo shirts, sweat shirts, shirts, jackets, vests, wind vests, pants **displaying the image of a Kawasaki motor vehicle thereon**; footwear for use in association with motor sports and motor recreation activities, namely shoes and boots **sold through distributors or dealers of Kawasaki utility vehicles for off-road recreation**; footwear for use in association with motor sports and motor recreation activities, namely shoes and boots **displaying the image of a Kawasaki motor vehicle thereon**; headgear (not including helmets) for use in association with motor sports and motor recreation activities, namely hats and caps **sold through distributors or dealers of Kawasaki utility vehicles for off-road recreation**; headgear (not including helmets) for use in association with motor sports and motor recreation activities, namely hats and caps **displaying the image of a Kawasaki motor vehicle thereon** (emphasis added);

[58] As noted above, the application as revised contains two restrictions to the remaining applied for goods. The first restriction is to the channels of trade and the second restriction is that the goods for which the channels of trade are not restricted must display the image of a Kawasaki motor vehicle thereon.

[59] Considering first the nature of the goods, I find that the Applicant’s clothing, footwear and headgear goods overlap with the Opponent’s applied for goods. The fact that the Applicant’s clothing, footwear or headgear will display the image of a Kawasaki motorcycle or

will only be sold through distributors or dealers of Kawasaki vehicles does not, in my view, change the nature of the goods themselves.

[60] With respect to the Opponent's channels of trade, the evidence of Mr. Herbst is that the Opponent's goods are sold through 400 retail outlets in Canada that sell clothing and outdoor equipment to outdoor enthusiasts and can also be purchased by mail order through a number of authorized online dealers (Herbst, para. 36). The Opponent also operates two retail stores in Canada (one in Vancouver and one in Montreal) and also has "partner stores" (i.e. stores where a certain percentage of their square footage is exclusively for the sale of the Opponent's goods) in B.C. and Alberta (Herbst, para. 37).

[61] With respect to the Applicant's channels of trade, some of Mr. Shirakata's evidence is as follows:

- The Applicant's motor sport products are geared towards a specific group of individuals interested in motor sport recreational activities (para 5);
- It is common in the motor sport trade to sell accessories such as apparel, gifts and collectibles that relate to the type of motor sport vehicle, for marketing purposes (para 12);
- The Applicant's goods are designed for off-road recreational vehicle activities, to meet the needs of a specific specialized and knowledgeable group of consumers (para. 24); and
- The nature of the vehicles make them relatively expensive, and purchasers are usually knowledgeable about the products and do not purchase them casually (para 24).

[62] On cross-examination it was revealed that Mr. Shirakata did not appear to have much knowledge of the Canadian marketplace [Shirikata cross-ex., q. 12, 13, 18, 33]. Further, I acknowledge that most of Mr. Shirakata's evidence post-dates the material date for this ground. I will still have regard to his evidence set out above, however, as I find it to be a good indicator of how the Mark is going to be used with the goods, especially in view of the recent restriction to the goods in the amended application.

[63] In considering this issue I have had regard to the *Suzuki* decision referred to above. While this decision regards an opponent's goods and actual channels of trade (as opposed to an applicant's applied for goods and channels of trade), I agree with the Applicant that the

reasoning from this case can also be applied to the present case. In that decision, the opponent did not own a registration for its mark in association with caps. The Court therefore considered it important to consider what the opponent was actually doing in practice with its caps as opposed to what it could potentially have been doing. In considering the specific manner in which the opponent used its trade-mark in actual commerce and the channel of trade used by the opponent for its caps, the Court stated the following:

In my view, the Registrar failed to give sufficient consideration to that evidence when assessing the likelihood of confusion. The specific manner in which the Respondent used its trade-mark in actual commerce and the channel of trade used by the Respondent for its caps should have been given more weight, especially in light of the Registrar's finding that the cross-examination of Mr. Chung "does not show an evolution in the Opponent's sales practices". Even if the Registrar had been entitled to look at other potential channels of trade for the Respondent's caps, it was very unlikely that it would sell its products through channels of trade other than Suzuki dealers...

The evidence clearly shows that the caps sold by the Respondent, even if not promotional strictly speaking, since they are sold to authorized dealers, would most likely be purchased by consumers who are familiar with Suzuki motorcycles and who either own or would like to own such a motorcycle. These caps are sold through a single channel of trade and to targeted customers (i.e. Suzuki motorcycle dealers and, eventually, Suzuki motorcycle customers). Combined with the fact that the Registrar gave no weight to Mr. Chung's statement as to the Respondent's intent to sell a line of HAYABUSA clothing in Canada, this is a significant factor. It means that there can be no overlap between the channel of trade used by the Respondent to sell its caps and the regular channels of trade for clothing items, and even less so with the very specialized channels of trade used by the Applicant for its applied-for wares. As a result, it is difficult to conceive any likelihood of confusion between the Cited Mark and the Mark.

[64] In the present case the Applicant has restricted its channel of trade for some of its clothing, footwear and headgear goods to a single channel of trade and to targeted consumers (i.e. Distributors or dealers of Kawasaki utility vehicles for off-road recreation and individuals interested in motor sport recreational activities). The Applicant's clothing, footwear and headgear, since they would be sold to authorized distributors or dealers of Kawasaki utility vehicles for off-road recreation, would most likely be purchased by consumers who are familiar with Kawasaki utility vehicles for off-road recreation and who either own or would like to own such a vehicle. I therefore find that there is very little potential for overlap between the specialized channels of trade proposed to be used by the Applicant for these applied for goods

and the current channels of trade for the Opponent's applied for goods [see also *Bridgestone Corp v Campagnolo SRL* (2014), 117 CPR (4th) 1 (FC)].

[65] I cannot say the same, however, for the Applicant's clothing, footwear and headgear goods that will display the image of a Kawasaki motorcycle (the overlapping goods). In this regard, I note that the registration of a word mark grants the owner the right to use the words that constitute the mark in any size and with almost any style of lettering, colour or design [*Les Restaurants La Pizzaiolle Inc v Pizzaiolo Restaurants Inc* (2015), 2015 FC 240; *Masterpiece*, above, at paras 55-57; *Mr Submarine Ltd v Amandista Investment Ltd*, [1988] 3 FC 91 (FCA) at p 102-103]. Therefore, if the Applicant were granted a registration for the Mark for these particular goods, the Applicant would have the right to use the word TERYX however it wanted and would not be restricted to only using it with the display of a motorcycle. This would only have been the case if the Applicant had applied for the word TERYX with the image of a Kawasaki motorcycle as a design mark.

[66] While I agree with the Applicant that it does not appear that the parties' channels of trade would overlap from the actual use shown by the Opponent to date, the Supreme Court reminded us in *Masterpiece* that the focus must be on what the registration would authorize the Applicant to do. In the present case, absent a restriction regarding its channels of trade, a registration would authorize the Applicant to sell its overlapping goods in channels of trade that overlap with those of the Opponent.

Further surrounding circumstances

State of the Register and State of the Marketplace evidence

[67] The Applicant's affiant, Ms. Tibbo-Witt, was instructed to access the OnScope searchable trade-marks database and locate active Canadian trade-marks which share elements with the word TERYX in association with clothing, footwear and headgear. Ms. Masouras, student at law with the Applicant's agent, attended at the Sport Chek Kanata Centrum retail store in Ottawa, Ontario and purchased a pair of men's shorts identified under the brand name Adidas TERREX.

[68] The Opponent pointed to several deficiencies in the Applicant's state of the register and state of the marketplace evidence. While many of these objections are valid, in view that the Applicant's evidence postdates the material date for this ground, I do not find the Applicant's evidence material to the determination of the issue of confusion under this ground in any event.

OHIM agreement

[69] In his second affidavit, Mr. Herbst states that the Applicant filed a community trade-mark application with the Office for Harmonization in the Internal Mark for the trade-mark TERYX. The Opponent opposed this application with respect to the goods "clothing; footwear; headgear (not including helmets)". Mr. Herbst states at paragraph 7 that pursuant to a Prior Rights Agreement between the parties dated April 20, 2010, the Applicant limited the specification of goods in class 25 in the OHIM application to "clothing for off-road buggy type four wheels vehicles, namely protective suits, jackets, footwear related to off-road buggy type four wheels vehicles." The Opponent subsequently withdrew the opposition. The Opponent submits that the Prior Rights agreement suggests that there were concerns with respect to confusion among the class 25 goods in the European Union.

[70] The Applicant submits that because the entire second affidavit of Mr. Herbst relates to the rights of the parties outside of Canada, it should be completely disregarded and afforded no weight whatsoever because, in addition to being irrelevant, the Registrar is not privy to the business considerations that came into play when an agreement was reached between the parties for a different market. I agree. I also note that, as stated in *Vivat Holdings Ltd v Levi Strauss & Co* (1995), 41 CPR (4th) 8 (FC) at paragraph 65, "evidence of foreign opposition on unproven records under foreign law is not probative." Accordingly, I am not giving any weight to the second Herbst affidavit.

Conclusion

[71] As noted above, section 6(2) is not concerned with confusion between the marks themselves, but rather confusion as to the source of the goods or services. In this case, an assessment of confusion asks the question whether the typical Canadian consumer, who has an imperfect recollection of the Opponent's ARC'TERYX mark for clothing and headwear would, upon seeing the Mark in association with the Applicant's applied for goods, assume as a matter of immediate impression that the goods all share a common source.

[72] Having considered all of the surrounding circumstances, in particular the considerable degree of resemblance between the marks in appearance and sound for overlapping goods, I am not satisfied that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's trade-mark with respect to the overlapping goods which include the following:

- clothing for use in association with motor sports and motor recreation activities, namely t-shirts, polo shirts, sweat shirts, shirts, jackets, vests, wind vests, pants displaying the image of a Kawasaki motor vehicle thereon
- footwear for use in association with motor sports and motor recreation activities, namely shoes and boots displaying the image of a Kawasaki motor vehicle thereon; and
- headgear (not including helmets) for use in association with motor sports and motor recreation activities, namely hats and caps displaying the image of a Kawasaki motor vehicle thereon.

[73] The section 16(3)(a) ground therefore succeeds with respect to the overlapping goods.

[74] With respect to the remainder of the goods, having considered all of the surrounding circumstances, I find that the Applicant has satisfied its onus to show that, on a balance of probabilities, confusion between the marks is unlikely. Even though the Opponent has an extensive reputation for its mark in Canada, and there is a considerable degree of resemblance between the marks, I find the difference in the nature of the Applicant's land vehicles, and the restriction regarding the channels of trade for the Applicant's clothing, footwear and headgear items, shifts the balance of probabilities in favour of the Applicant.

[75] I therefore reject this ground of opposition with respect to the remainder of the goods.

Non-entitlement – Section 16(3)(c)

[76] The Opponent has also alleged that the Applicant is not the person entitled to register the Mark as it is confusing with the Opponent's trade-name Arc'Teryx Equipment Inc. which had been previously used in Canada by the Opponent.

[77] To meet its burden, the Opponent must show that it had used its trade-name in Canada prior to February 26, 2008 and had not abandoned such use as of December 15, 2010. I am satisfied from the Opponent's evidence that it has met this initial burden.

[78] Overall, the section 16(3)(a) ground succeeds for the overlapping goods for reasons similar to those set out above in my discussion of the section 16(3)(a) ground of opposition. This ground is otherwise rejected with respect to the remainder of the goods.

Non-Distinctiveness – Section 38(2)(d) and section 2

[79] The Opponent has also pleaded that the Mark is not distinctive and is not capable of distinguishing the Applicant's goods from the Opponent's goods.

[80] In order to meet its evidential burden with respect to this ground, the Opponent must show that as of the filing of the opposition (April 8, 2011) ARC'TERYX had become known sufficiently to negate the distinctiveness of the Mark [*Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 at 58 (FCTD); *Re Andres Wines Ltd and E & J Gallo Winery* (1975), 25 CPR (2d) 126 at 130 (FCA); and *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 412 at 424 (FCA)].

[81] Mr. Herbst's evidence satisfies the Opponent's initial burden. While the facts are slightly different at the later material date, I find that the reasons set out above under the section 16(3)(a) ground, for the most part, are also applicable to this ground. I therefore find that this ground succeeds for the overlapping goods for reasons similar to those set out above in my discussion of the section 16(3)(a) ground of opposition but is otherwise rejected with respect to the remainder of the goods.

Non-registrable - Section 12(1)(d) Ground

[82] The Opponent further pleads that the Mark is not registrable because it is confusing with its trade-mark registration No. TMA400,320, registered in association with the following goods:

(1) Mountaineering and rock climbing equipment namely: harnesses; slings; chalk bags; rope bags; gear bags; back packs; climbing trousers; climbing shirts; crack protection equipment namely: nuts; cams.

[83] I have exercised my discretion and checked the register to confirm that the Opponent's registration No. TMA400,320 is extant [*Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. Therefore, the Opponent has met its initial burden with respect to this ground.

[84] As the Opponent's evidentiary burden has been satisfied, the Applicant must therefore establish on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's trade-mark.

[85] The Opponent's mark is registered for use with, among others, "climbing trousers" and "climbing shirts". There is therefore some overlap between the parties' goods.

[86] The main difference between this ground and the section 16(3) ground is that, as noted earlier, when dealing with a registered trade-mark one must consider the entire scope of rights granted under the registration and its potential use must be considered as well as its actual use. The Opponent's registered goods include climbing shirts and climbing trousers and the evidence shows that the Opponent sells these goods and others in retail outlets in Canada. The Applicant's affiant, Mr. Shirakata, conceded during cross-examination that he was not sure whether the authorized Kawasaki dealers who sell the Applicant's products also sell non-Kawasaki products targeted at the outdoor recreation market. Therefore, the potential exists that the Opponent's climbing shirts and climbing trousers could be sold at an authorized Kawasaki dealer, although I consider this to be a remote possibility given the Opponent's current channels

of trade to date and that the general nature of the Opponent's goods appears to be specialized (i.e. high performance outdoor gear and apparel).

[87] Other surrounding circumstances have also changed somewhat at the later material date of the date of my decision. The Opponent's mark has become known to an even greater extent as of today's date, the Applicant may now rely on the use of its TERYX mark since 2008 (eg. Mr. Shiraka's evidence that the Applicant's goods are not offered through main stream clothing stores and the fact that in Canada the Applicant's Kawasaki and K Logo house marks are prominently displayed on the Applicant's clothing, footwear and headgear sold in association with the Mark) and the Applicant's state of the register and state of the marketplace evidence can now be considered to the extent that they are reliable and relevant.

[88] In my view, the Opponent's case is not strengthened when the surrounding circumstances are considered at the later material date.

[89] The section 12(1)(d) ground of opposition therefore succeeds for the overlapping goods for reasons similar to those set out above in my discussion of the section 16(3)(a) ground of opposition but is otherwise rejected with respect to the remainder of the goods.

Disposition

[90] In view of the above, and pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application with respect to the following overlapping goods:

clothing for use in association with motor sports and motor recreation activities, namely t-shirts, polo shirts, sweat shirts, shirts, jackets, vests, wind vests, pants displaying the image of a Kawasaki motor vehicle thereon

footwear for use in association with motor sports and motor recreation activities, namely shoes and boots displaying the image of a Kawasaki motor vehicle thereon; and

headgear (not including helmets) for use in association with motor sports and motor recreation activities, namely hats and caps displaying the image of a Kawasaki motor vehicle thereon;

and I otherwise reject the opposition with respect to the remainder of the goods pursuant to section 38(8) of the Act [*Produits Ménagers Coronet Inc v Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 CPR (3d) 482 (FCTD) as authority for a split decision].

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