



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

Citation: 2015 TMOB 65
Date of Decision: 2015-04-07

**IN THE MATTER OF AN OPPOSITION
by Chaussures Bellini Inc. to application
No. 1,380,505 for the trade-mark I
SHOES & Heart Design in the name of
ShoeSource Worldwide, Inc.**

FILE RECORD

[1] On January 24, 2008, Payless ShoeSource Worldwide, Inc. filed an application to register the mark I SHOES & Heart Design, shown below, based on proposed use in Canada in association with the services shown below:

I ♥ SHOES

retail shoe and fashion accessories store services; computerized on-line retail store services in the field of footwear, apparel, purses, handbags, and backpacks, accessible via global computer networks.

[2] The applicant claims, pursuant to section 34 of the *Trade-marks Act*, R.S.C. 1985, c. T-13, a priority filing date of January 15, 2008 on the basis of a corresponding application filed in the United States of America.

[3] The Examination Section of the Canadian Intellectual Property Office (“CIPO,” under whose aegis this Board also operates) objected to the application, in a letter dated November 5, 2008, on the basis that the mark was confusing with the registered trade-marks shown below:



Registration No. TMA713832



Registration No. TMDA14049

[4] The applicant responded to the Examiner's objection by pointing out the differences between the applied-for mark and the cited marks, and by advising the Examiner that the applicant's shoe retail services are provided only through its own outlets or online through the applicant's website. Apparently the Examiner accepted the applicant's submissions (there is no record on file) as the subject mark was advertised for opposition purposes in the *Trade-marks Journal* issue dated December 22, 2010. The application was then opposed on February 22, 2011 by 9098-2505 Quebec Inc. c.o.b. as Maison Bellini, the owner of registration No. TMDA713,832 cited by the Examiner.

[5] The Registrar forwarded a copy of the statement of opposition to the applicant on March 10, 2011 as required by section 38(5) of the *Trade-marks Act*. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition. During the course of this proceeding the opponent changed its name to Chaussures Bellini Inc. The statement of opposition was amended on two occasions: see the Board rulings dated January 17 and July 23, 2012. Further references to the statement of opposition will be to the last amended statement of opposition dated June 4, 2012.

[6] The opponent's evidence consists of the affidavit of Hagop Artinian, who was cross-examined on his affidavit testimony. The transcript of his cross-examination and Exhibit A thereto form part of the evidence of record. The applicant's evidence consists of the affidavits of Pam Merten, Remi Kalacyan, and Kaitlin MacDonald. Only the applicant filed a written argument, however, both parties attended at an oral hearing held on December 18, 2014.

STATEMENT OF OPPOSITION

[7] Various grounds of opposition are pleaded, however, the determinative issue for decision is whether the applied-for mark is confusing with the opponent's mark. The material dates to assess the issue of confusion are (i) the date of filing the application, that is, January 24, 2008, with respect to the ground of opposition alleging non-entitlement, (ii) the date of opposition, that is, February 22, 2011, with respect to the ground of opposition alleging non-distinctiveness, and (iii) the date of my decision, with respect to the ground of opposition alleging non-registrability.

[8] Before addressing the issue of confusion, I will first review the evidence of record, the evidential burden on the opponent, the legal onus on the applicant, and the meaning of confusion in the context of the *Trade-marks Act*.

OPPONENT'S EVIDENCE

Hagop Artinian

[9] Mr. Artinian identifies himself as the Secretary of the opponent company. The opponent has been operating a retail store in downtown Montreal for about 30 years. The store operated under the name Maison Bellini and now operates under the name Chaussures Bellini. The store retails men's and women's shoes as well as handbags, luggage and belts. The store specializes in Italian designed and/or Italian manufactured footwear. The opponent sells its own line of BELLINI footwear as well as footwear that display the marks of other manufacturers. Both sets of footwear may also display the opponent's mark I ITALIAN SHOES & Design, either on the wares themselves, that is, embossed on the soles and/or on hangtags attached to the shoes, and/or on packaging (shown in Exhibit C of the affidavit). The opponent's mark is also prominently displayed on a poster in the opponent's storefront window, as shown in Exhibit D:



[10] During Mr. Artinian's cross-examination, he verified that one photo, showing a front view of the poster, was taken on the street outside the store while the angled view of the poster was taken inside the store facing towards the street.

[11] The significance of the location of the opponent's store is explained at paras. 7 and 10 of the affidavit:

7. Bellini's store is located at the corner of Ste Catherine Street Ouest and Peel Street in Montreal. This is at the very heart of Montreal's downtown shopping district. We are surrounded on both sides by other national retailers including but not limited to Mexx, La Senza, . . . Louis Vuitton and Oakley. In view of our location and its concentration of retailers as well as restaurants, cafes, coffee shops, theatres and the like, large numbers of people pass by our storefront every day. The actual number of passersby is not known, but by my estimate, they number in the thousands on a daily basis and all of them can easily see the LOVE mark [the opponent's registered mark] on the posters in Bellini's windows fronting onto Ste Catherine Ouest.

.....

10. Bellini does not have a website, nor does it advertise extensively in newspapers or on the radio or on television. Bellini's advertising is by virtue of its location which as is at the heart of Montreal's downtown prestige shopping district where the LOVE mark is seen in our windows by virtue of our posters by tens if not hundreds of thousands of persons annually.

[12] About 10,000 pairs of footwear displaying the opponent's mark on footwear and/or packaging have been sold to Bellini customers since November 2005, which volume accounts for about 6% of the opponent's total sales of footwear. Mr. Artinian is aware that customers perceive the design feature of the opponent's mark as a heart, formed by the outline of two shoes placed heel to heel and toe to toe, and as a symbol for the word love.

Cross-Examination

[13] The opponent stresses its connection to Italy as a marketing strategy; however, only about 10% of the shoes it sells are of Italian origin. The marketing strategy, which accounts for the mark BELLINI as well as the mark I ITALIAN SHOES & Design, aims to convey a sense of style and fashion. The mark I ITALIAN SHOES & Design appears on shoes sold by the opponent in its one store in Montreal, and not on any other wares. The shoe design feature

surrounding and forming the heart design primarily appears in red. About 60% -70% of Italian made shoes sold by the opponent are exclusive to the opponent.

[14] The large poster displaying the mark I ITALIAN SHOES & Design in the opponent's store window has to be replaced from time to time because it gets worn and because sunlight will fade the red colour of the shoe design feature. Otherwise, the poster has remained in the window continuously since about 2005.

[15] During prolonged questioning about the placement of the poster in the window in relation to pedestrian traffic patterns, Mr. Artinian explained that from time to time a similar poster or other advertising material will appear on the second floor window, above the store front window, which is visible to pedestrians on the other side of the street: see pgs. 40-47 of the transcript of cross-examination and Exhibit A of the cross-examination. Exhibit A was introduced into evidence by counsel for the applicant. It was identified as a printout from Google maps showing a "street view" of the front of the opponent's store. Mr. Artinian confirmed that the poster, illustrated in para. 9 above, was captured in Exhibit A although the poster is barely discernable in the image.

[16] The shoes in the opponent's store sell for \$35 to \$2500, with an average price of about \$110 for ladies' shoes and \$130 for men's shoes. The opponent sells about 1,650 pairs of shoes a year bearing the opponent's mark.

APPLICANT'S EVIDENCE

Pam Merton

Corporate History

[17] Ms. Merton identifies herself as the President of Payless ShoeSource Canada LP ("Payless Canada") which company is affiliated with the applicant. Payless Canada is licensed by the applicant to use its marks in Canada in compliance with section 50 of the *Trade-marks Act*. The applicant, through affiliates, has been operating in Canada since 1997 under the mark PAYLESS SHOESOUCE.

[18] The applicant traces its roots to a company founded in 1956 in Topeka, Kansas. By 1996, through various reorganizations, Payless ShoeSource Inc. (PSSI) became a successor company, changing its name to Collective Brands, Inc. (“CBI”) in 2007. As of 2012, CBI was one of the largest family footwear retailers in the world, operating under the mark PAYLESS SHOESOURCE.

[19] Prior to February 2006, PAYLESS SHOESOURCE stores in Canada were owned and operated by Payless Shoestore Canada Inc. (“PSCI”), a wholly-owned subsidiary of PSSI. After February 2006, substantially all PAYLESS SHOESOURCE stores in Canada were owned and operated by Payless GP, a wholly owned subsidiary of CBI.

[20] The applicant is affiliated with CBI and Payless Canada; its affiliates operate the applicant’s PAYLESS business using the applicant’s trade-marks under license. Affiliates of the applicant, and currently Payless Canada, have been operating PAYLESS SHOESOURCE stores in Canada since 1997. As of 2012, there were over 285 such stores throughout Canada, in all ten provinces.

[21] PAYLESS SHOESOURCE stores in Canada are located in regional malls, shopping centers, central business districts, free-standing buildings and other retailer locations through the applicant’s “store-within-a-store” strategy. Men’s, women’s and children’s shoes are sold, as well as hosiery, apparel and related personal accessories. As of 2012, there were 1,200 full-time and 600 part-time employees of Payless Canada.

How the Mark I SHOES & Heart Design is Used

[22] Ms. Merton gives a general description of how the applicant uses the applied-for mark I SHOES & Heart Design in association with its services at para. 16 of her affidavit:

16. Since March, 2008, the Trade-mark has been in continuous use in Canada in association with footwear, accessories and related retail services by the Applicant through one or more of Payless' Canadian Licensees. As described in greater detail below, such continuous use has included prominent placement of the Trade-mark on signs inside the retail stores; on display materials in the stores, on bags and in advertising.

[23] Paragraphs 17-31 detail such use, examples of which are shown in Exhibits A-O attached to her affidavit. Paragraph 22 and Exhibit F are of particular interest:

22. Attached as Exhibit "F" [illustrations below] to my affidavit, is a copy of a so-called pin pad resting screen. At each cash register at a PAYLESS SHOESOURCE store in Canada, there is an electronic device (called a "pin pad") which customers can use to swipe or insert their cards when paying by credit or debit. Until the information regarding the customer's purchase shows up on the screen, the consumer sees a short slide show (the so-called "resting screen"). As part of the slide show, the screen depicts what is shown in Exhibit "F". The Trade-mark appears prominently as part of the screen which the customer sees. Such pin pad resting screens have appeared at virtually all PAYLESS SHOESOURCE retail stores in Canada since 2008 and continuously to the present and would have been seen by virtually all customers at the checkout counter paying by credit or debit card.

(emphasis added)



Canadian Sales and Promotion Figures

[24] Sales in Canada for footwear and related accessories in PAYLESS SHOESOURCE stores amounted to about \$180 million for each of the years 2008 to 2011 inclusive, representing about 6 million units of footwear annually. The applicant also provides shopping bags bearing the applied-for mark free of charge to customers at the time of purchase of products in the stores. In 2008, 4 million such bags were distributed to customers; 2.8 million bags were distributed in the period January to October, 2012,

[25] Payless Canada operates seventeen PAYLESS SHOESOURCE stores on the island of Montreal, including two on Ste Catherine Street Ouest, that is, on the same street as the opponent. At cross-examination, Mr. Artinian testified that he was aware that one of those stores was located "two, three blocks" away from his store: see Qq 8-10/p.5 of the transcript of cross-examination. In spite of the relative proximity of the parties' retail outlets, Ms. Merton testifies at para. 36 of her affidavit that she is unaware of any instances of actual confusion between the parties' marks.

Cost Differences in Parties' Shoes

[26] Ms. Merton notes that the price of shoes in PAYLESS SHOESOURCE stores range from \$3 (on clearance) to about \$69 with an average selling price of about \$26, which is substantially less than the price range and average cost of the opponent's shoes (corroborated in para. 16, above.)

Remi Kalacyan

[27] Ms. Kalacyan identifies herself as a private investigator retained by the agents for the applicant. She visited the opponent's BELLINI store in Montreal on August 17 and September 1, 2012. Attached as Exhibits B and C to her affidavit are photographs showing the exterior of the store on those days. On both days the poster shown in para. XX above was not present in the store window nor was it visible inside the store. Ms. Kalacyan gave no evidence concerning whether the opponent's mark was visible on shoes or on hang tags inside the store.

[28] I note that Mr. Artinian was cross-examined on May 28, 2012 and therefore could not be questioned about the poster being absent on August 17 and September 1. Of course, the opponent might have clarified matters by way of reply evidence, but choose not to do so. In any event, Ms. Kalacyan's evidence, by itself, is insufficient for me to draw any negative inferences concerning the accuracy and reliability of Mr. Artinian's affidavit evidence or testimony on cross-examination.

EVIDENTIAL BURDEN AND LEGAL ONUS

[29] As mentioned earlier, before considering the issue of confusion, it is necessary to review (i) the evidential burden on the opponent to support the allegations in the statement of opposition and (ii) the legal onus on the applicant to prove its case.

[30] With respect to (i) above, there is in accordance with the usual rules of evidence, an evidential burden on the opponent to prove the facts inherent in its allegations pleaded in the statement of opposition: see *John Labatt Limited v. The Molson Companies Limited*, 30 CPR (3d) 293 at 298 (FCTD). The presence of an evidential burden on the opponent with respect to a

particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist. With respect to (ii) above, the legal onus is on the applicant to show that the application does not contravene the provisions of the *Trade-marks Act* as alleged by the opponent in the statement of opposition (for those allegations for which the opponent has met its evidential burden). The presence of a legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant.

WHEN ARE TRADE-MARKS CONFUSING?

[31] Trade-marks are confusing when there is a reasonable likelihood of confusion within the meaning of section 6(2) of the *Trade-marks Act*, shown below:

The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the goods or services . . . associated with those trade-marks are manufactured . . . or performed by the same person, whether or not the goods or services . . . are of the same general class.

[32] Thus, 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 purchasers of the applicant's shoes, sold under the retail service mark I SHOES & Heart Design, would believe that those shoes were being sold by the opponent, or that the applicant was authorized or licensed to sell shoes by the opponent, who sells shoes under the mark I ITALIAN & Design. The legal onus is on the applicant to show, on the usual civil balance of probabilities standard, that there would be no reasonable likelihood of confusion.

TEST FOR CONFUSION

[33] The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are "all the surrounding circumstances including" those specifically mentioned in s.6(5)(a) to s.6(5)(e) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the

nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive and all relevant factors are to be considered. Further, all factors do not necessarily have equal weight as the weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 CPR(3d) 308 (FCTD). However, as noted by Mr. Justice Rothstein in *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 92 CPR(4th) 361 (SCC), although the degree of resemblance is the last factor cited in s.6(5), it is the statutory factor that is often likely to have the greatest effect in deciding the issue of confusion.

CONSIDERATION OF S.6(5) FACTORS

First and Second Factors - Inherent and Acquired Distinctiveness; Length of Time in Use

[34] The applied-for mark does not possess a high degree of inherent distinctiveness as it is comprised of the common dictionary words I and SHOES and a common heart design feature. It is an inherently weak mark. The opponent's mark is also comprised of fairly inherently weak elements, that is, the words I, ITALIAN and SHOES, however, the stiletto shoes placed heel to heel and toe to toe to form a heart design is a distinctive design feature. The opponent's mark considered in its entirety is still a fairly weak mark, however, it possesses a greater degree of inherent distinctiveness than the applicant's mark, at least visually. The applied-for mark would not have acquired any distinctiveness at the earliest material date (February 2008) as it is a proposed use mark. However, the applicant's mark had acquired a substantial reputation as of the later material dates (February 2011 and today) owing to extensive use of the mark beginning in March 2008. The opponent's mark had acquired some reputation at the earliest material date owing to use of the mark since November 2005. At the later material dates, the applied-for mark had acquired far more distinctiveness than the opponent's mark. Thus, at the earliest material date, factors one and two, considered together, favour the opponent, however it is a slight advantage rather than a significant advantage. At the later material dates, factors one and two, considered together, favour the applicant owing to the extensive use of its mark beginning in March 2008, which, in my view, outweighs the opponent's longer time of use (by about 2.5 years) and the greater inherent distinctiveness of the opponent's mark. In my view at the later material dates the acquired distinctiveness of the applicant's mark significantly weighs in favour of the applicant.

Third and Fourth Factors - the Nature of the Parties' Wares, Services, and Trades

[35] The third factor clearly favours the opponent because the nature of the parties' wares and services are essentially the same; both retail a variety of shoes. The fact that the parties' wares are sold at different "price points" is not relevant to the issue of confusion: see *Bagagerie SA v. Bagagerie Willy Ltée* (1992), 45 CPR (3d) 503 (FCA) at pp. 509-510, below:

The trial judge attached great importance to the fact that the goods offered by each of the parties were intended for different customers, the less affluent and the more affluent. The courts have recognized that the price of goods and type of customer for whom the goods are intended are relevant factors¹, but in a different context from the one to which the trial judge refers. What they have held is that goods sold for a high price which are in a sense an investment lead the consumer to pay closer attention to making the purchase than in the case of cheaper goods. The more the purchase of goods leads the consumer to examine and reflect, the less risk there is of confusion. This was the case in *Bellows*, cited by the trial judge, which dealt with two brands of refrigerators. In that case the "price" factor, referred to by Rand J. in the reasons quoted by the trial judge, was common to both types of goods. It did not involve goods for which a higher price was being charged by one dealer and a lower price by another. The reverse is also true. The lower the price, the less likely there is to be prolonged consideration . . . Moreover, *Hermes*, supra, cited by the trial judge, is based principally on the fact that some goods were sold in very specialized stores and others were sold in exclusive boutiques. The difference was less one of price, though this was a factor, than a distinction pertaining to the type of store where a product is purchased.

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The courts recognize no distinction between goods of the same general class in which the "price" factor is the main distinguishing feature . . . On this point, the trial judge incorrectly applied the case law rules relied on by him.

(emphasis added)

[36] The above passage from *Bagagerie* is also instructive in regards to the fourth factor, that is, the nature of the parties' trades. In this regard, the opponent operates a one-of-a-kind "boutique" retail store, attracting customers by stressing a connection to Italy and thereby implying a sense of style and fashion for its goods. The applicant has taken a mass merchandising approach. Accordingly, the natures of the parties' trades are different. The fourth factor therefore favours the applicant. However, in my view, the third and fourth factors considered together balance each other out and together favour neither party.

Fifth Factor - Resemblance

[37] The parties' marks resemble each other to a fair extent owing to the shared word components I and SHOES and the shared heart design feature. Of course, the marks are different in that the opponent's mark has the additional word component ITALIAN as well as the stiletto shoes design feature which also functions to create the heart design feature. In the applied-for mark, each of the three components of the mark has about equal prominence. In the opponent's mark, it is the stiletto shoes and heart design features which are "front and center," and in my view are the most dominant components, followed in prominence by the phrase ITALIAN SHOES. I therefore conclude that visually the marks in issue are more different than alike. The applied-for mark would be sounded as "I love shoes" while the opponent's mark would be sounded as "I love Italian shoes." The marks are therefore more different than alike in sounding. The idea suggested by the applied-for mark is "I love shoes" while the idea suggested by the opponent's mark is "I love women's Italian shoes." Of course, it is the presence of the stiletto shoe design and the word component ITALIAN which differentiates the idea suggested by the opponent's mark from the simpler idea suggested by the applied-for mark. I conclude that the marks in issue are more different than alike in the ideas that they suggest. Overall, when each of the aspects of resemblance (i.e., visual, aural, ideas suggested) are considered together, my conclusion is that the marks in issue are considerably more different than alike.

Surrounding Circumstance - No Evidence of Instances of Actual Confusion

[38] A surrounding circumstance to be considered is the lack of evidence of actual confusion. Of course, the opponent is under no obligation to submit evidence of instances of actual confusion and the absence of such evidence does not necessarily raise any presumptions unfavourable to the opponent nor is it determinative of the issue of confusion. Nevertheless, an absence of evidence of actual confusion over a relevant period of time, despite an overlap in the parties' goods, services and channels of trade, may result in a negative inference about the likelihood of confusion: *MonSport Inc. v. Vetements de Sport Bonnie (1978) Ltée* (1988), 22 CPR (3d) 356 (FCTD); *Mercedes-Benz A.G. v. Autostock Inc.*, 69 CPR (3d) 518 (TMOB).

[39] The applicant's submissions with respect to this surrounding circumstance are found at para. 59 of its written argument:

Despite the fact that the Applicant's trade-mark is in use in at least two retail shoes stores a few minutes' walk each from the Opponent's one store in downtown Montreal, and despite continuous use of the Trade-mark [the applied-for mark] since 2008, the evidence of both the Applicant's and Opponent's primary witnesses was consistent that neither of them were aware of any instances of confusion between the Trade-mark and the Opponent's Mark. The fact that the Opponent's Mark and the Trade-mark co-exist in such close proximity for several years without any instances of confusion coming to the attention of the parties (and in particular the Opponent's witness who testified to his continuous presence in the store) raises a very strong inference that there is no likelihood of confusion between the Opponent's Mark and the Trade-mark in the future.

I agree that, in the instant case, the lack of evidence of actual confusion is a factor that weighs in favour of the applicant.

DISPOSITION

[40] Having regard to the section 6(5) factors discussed above, I find that the applicant has met the onus on it to show that the marks in issue are not confusing. The opposition is therefore rejected.

[41] This decision has been made pursuant to a delegation of authority by the Registrar of Trade-marks under section 63(3) of the *Trade-marks Act*.

[42] I would add that the outcome would have been the same even if the surrounding circumstance of no evidence of actual confusion had not been taken into account as weighing in favour of the applicant. That is, the five enumerated factors in section 6(5) weigh sufficiently in the applicant's favour to reject the opposition.

Myer Herzig, Member,
Trade-marks Opposition Board
Canadian Intellectual Property Office