

IN THE MATTER OF TWO OPPOSITIONS
by Levi Strauss & Co. to application nos.
768,734 and 768,735 for the trade-marks
STITCHMARK Design filed by Vivant Holdings Limited

On November 15, 1994, the applicant, then known as Vivant Holdings PLC, filed applications to register the marks STITCHMARK Design, shown below, based on proposed use in Canada in association with various articles of clothing.



no. 768,734



no. 768,735

I will first deal with application no. 768,735. The Examination section of the Trade-marks Office raised several objections to the subject application, which the applicant overcame by amending its application and by arguing against the objection that its mark was confusing with a prior registration. The amended application covers the wares listed below:

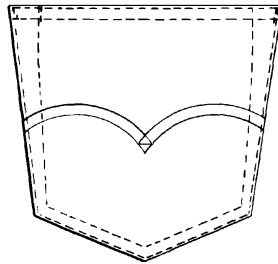
articles of clothing, namely, shirts, jumpers, skirts, blouses, coats, jackets, windcheaters, tracksuits, slacks, trousers, shorts, overalls, dungarees, namely, over-alls incorporating a bib and braces; sweaters, T-shirts, sweatshirts, blousons, jeans, belts and braces, ties, scarves and gloves, hats, caps, berets, headbands, hoods; shoes, boots, sandals, slippers, trainers, namely, training shoes, sports shoes, hosiery, tights, socks and stockings.

Further, the subject Canadian application claims a priority filing date of June 27, 1994, pursuant to Section 34 of the *Trade-marks Act*, based on the applicant's filing of a corresponding trade-mark application in the United Kingdom. The subject application was advertised in the

Trade-marks Journal on December 6, 1995 and was opposed by Levi Strauss & Co. on August 9, 1996. A copy of the statement of opposition was forwarded to the applicant on September 4, 1996. The applicant responded by serving and filing its counter statement generally denying the allegations in the statement of opposition.

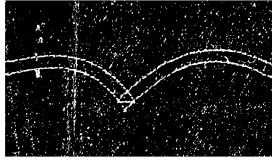
Statement of opposition

The first ground of opposition, pursuant to Section 12(1)(d) of the *Trade-marks Act*, alleges that the applied for mark is not registrable because it is confusing with the opponent's registered mark (hereinafter "DOUBLE ARCUATE"), shown below, covering the wares "overalls."



A double arcuate design applied to the hip pocket of garments such as overalls

The second ground of opposition, pursuant to section 16(3) of the *Act*, alleges that the applicant is not entitled to register the applied for mark because at the date of filing (i.e., the priority filing date) the applied for mark was confusing with (i) the opponent's above-mentioned mark which was previously used in Canada, (ii) the opponent's pending trade-mark application no. 757,097 shown below, for use in association with, *inter alia*, various items of clothing.



The trade-mark consists of a double line of stitching forming two arcs meeting in a cup

The third ground of opposition alleges that the applied for mark is not distinctive of the applicant's wares.

Evidence

The opponent's evidence in chief consists of the affidavits of Herbert McPhail; Ellen Baker; Lynn Downey; John Chambers; and Chris Yaneff. The applicant's affidavit evidence in chief consists of the affidavits of Alan Richards; Cedric Lam; and Louise McLean. The opponent's evidence in reply consists of a second affidavit of Ellen Baker. Each of the affiants, except Messrs. McPhail and Chambers, was cross-examined on his or her affidavit evidence. The transcripts of cross-examinations, exhibits thereto, replies to undertakings and answers to questions taken under advisement form part of the evidence of record.

Opponent's evidence

Ms. Downey, referred to above, is a librarian and historian employed by the opponent company. Her evidence provides a detailed historical account of the opponent's use of the DOUBLE ARCUATE mark in the United States but provides little information helpful for

resolving the issues in the present proceeding.

Mr. Herbert's affidavit merely serves to introduce into evidence (i) a copy of the opponent's trade-mark registration for the DOUBLE ARCULATE design mark and (ii) particulars of application no. 757,097 referred to in the statement of opposition.

Mr. Chambers' affidavit evidence establishes his expertise in linguistics. His evidence, which is corroborated by Ms. Baker, is that in and around the year 1950, and prior to 1950, the word "overalls" was used as a general term for trousers that today would be called "jeans" or "cords." That is, overalls referred to "jeans" or "cords" which might or might not include a bib and shoulder strap.

Mr. Yaneff's written evidence and testimony on cross-examination establishes his extensive knowledge, if not expertise, in the area of trade-mark design. The salient point of his evidence is that the distinctive characteristic of the opponent's mark is the combination of double arcs comprised of double stitching. At pages 17 - 19 of Mr. Yaneff's cross-examination, the discussion focussed on how much variation of the opponent's double arc - double stitch mark is required to differentiate another mark employing the arc-stitch concept:

Mr. Yaneff also testifies that the opponent's double arc - double stitch mark is "memorable" and "inherently distinctive." However, Mr. Yaneff's assertion that the opponent's mark is memorable is without much probative value, as such matters are to be established by properly conducted surveys. As to the inherent distinctiveness of the opponent's DOUBLE ARCUATE mark, I am guided by a previous finding of this Board that it is not an inherently strong mark: see *Levi Strauss & Co. v. Benetton Group S.p.A.* 77 C.P.R. (3d) 223 at 228:

the marks of both parties are inherently distinctive although neither mark is inherently strong. Each mark comprises stitching on the back pocket of a garment which complements the functional stitching used to affix the pocket to the garment. Both marks are arbitrary and non-functional and therefore inherently distinctive. However, both marks are also decorative and comprise simple line designs and thus are not inherently strong.

Ms. Baker's evidence may be summarized as follows. The opponent has been selling jeans and other garments under its DOUBLE ARCUATE mark continuously in Canada since 1972. The mark has also been featured on hang tags and flashers attached to the opponent's garments. From 1972 to 1995, the opponent has manufactured and sold in Canada in excess of 120 million garments featuring the DOUBLE ARCUATE mark. Unit sales rose from 1.3 million in 1973 to 7.1 million in 1995. During the same period the annual wholesale value of sales rose from \$8 million to \$190 million. The annual wholesale value of sales averaged about \$190 million for the nine year period 1987 - 1995. The opponent's garments are sold through (i) stores that sell only the opponent's garments, (ii) department stores and mass merchants including THE BAY and ZELLERS, (iii) specialty stores including PANTORAMA and THRIFTY'S. A substantial portion of the opponent's advertising, in print and broadcast media, features the opponent's DOUBLE ARCUATE mark. Total advertising expenditures since 1972 has been in

excess of \$100 million. The conclusion to be drawn from Ms. Baker's affidavit evidence, documents attached as exhibits to her affidavit and testimony on cross-examination is that the opponent's mark was very well known in Canada at all material times.

Applicant's evidence

Mr. Lam's affidavit serves to introduce into evidence eight jeans offered for sale in the downtown Toronto area on September 19, 1996. Mr. Lam's instructions were to "purchase jeans with stitches on the back pocket . . . having a design like an arch." The jeans purchased are sold under the brands (a) REPLAY; (b) SILVER; (c) GARAGE; (d) BLUE RODEO; (e) ST. MICHAEL; (f) BUFFALO; (g) IKEDA; and (h) GUESS. From my review of the evidence, (1) the designs on jeans denoted by (a), (b), (d) and (h) above resemble the applied for mark more than the opponent's mark, (2) the design on jeans denoted by (c), (f), and (g) are simply curved lines rather than full arches, and resemble each other more than they resemble either the applied for mark or the opponent's mark, (3) the design on the jean denoted by (e) above is more aptly described as triple angled straight bars. Mr. Lam was unable to provide any information concerning the length of time that the above mentioned jeans have been sold in Canada or the extent of such sales.

Mr. Richards' evidence relates to his company's use and registration of the applied for marks in various jurisdictions. However, he does not provide any quantitative evidence of the extent of use of the applied for marks in Canada or elsewhere. For the most part his evidence is either not relevant to this jurisdiction, or is lacking in details that might advance the applicant's

case, or consists of inadmissible hearsay.

Louise McLean's affidavit serves to introduce into evidence (i) copies of Statements of Claim filed in Federal Court - Trial Division wherein the opponent is a Plaintiff in the action. Not surprisingly, the actions allege, *inter alia*, infringement of the opponent's DOUBLE ARCUATE trade-mark by reason of sales of some of the jeans referred to Mr. Lam's affidavit. (ii) a computer search, using the parameters "pocket" and "stitch," of extant trade-mark registrations and applications on the trade-marks register, (iii) photocopies of stitching on back pockets of jeans purchased in Toronto in October 1998.

With respect to (i) above, Ellen Baker's evidence in reply shows that the opponent consistently takes legal action to prevent marketplace use of double stitch - double arch designs as trade-marks on jeans, and that such actions usually result in the defendant ceasing use of the design in issue.

With respect to item (ii) of Ms. McLean's evidence, the results of her trade-mark search for designs "which depict two curved lines of stitching" are attached *en liasse* as Exhibit C to her affidavit. My inspection of the Exhibit C reveals 27 registrations and applications, standing in the names of 21 different owners. I find that, at best, only 5 of the design marks can aptly be described as comprised of a double arch. By my count, 10 of the designs are linear and not arch-like; 6 of the designs are curved lines rather than full or partial arches; 2 of the designs are triple arches; 1 design is a single arch; and the 3 remaining designs bear little resemblance to any of the

parties' marks in issue. Presumably, the applicant seeks to rely on the state of the register evidence to establish that the opponent's double stitch - double arch design concept is common to trade-marks in the clothing industry. Such a circumstance would mitigate any resemblance between the marks in issue. However, in the instant case, too few relevant registrations or applications have been evidenced to make the inference that double arch - double stitch designs are common in the marketplace: see *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R.(3d) 432 (TMOB); *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R.(3d) 205 (F.C.T.D.); and *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R.(3d) 349 (F.C.A.).

With respect to (iii) above, Ms. McLean attended at several stores in Toronto where she purchased jeans under the brand names (a) BIG STAR (b) BLUE NOTES (c) DIESEL INDUSTRY (d) MANAGER (e) REQUEST (f) STONE (g) IKEDA and (h) SANTANA. Photocopies of the back pockets of the above-mentioned jeans are attached as Exhibits D to K of her affidavit. From my review of the exhibit material, only three of the designs are aptly described as double stitch - double arch designs namely, the designs found on the jeans denoted by (d), (e) and (h) above. Further, I would note that design (d) resembles the applied for mark more than the opponent's mark and design (e) is quite distinct from the marks in issue. Ms. McLean's evidence of stitch designs circulating in the marketplace are insufficient to show that the opponent's DOUBLE ARCUATE design mark, or near approximations of it, have been commonly adopted in the clothing industry. However, in my view it is fair to conclude, on the basis of Ms. McLean's evidence together with Ms. Baker's evidence, that a significant part of the

Canadian population has likely been exposed, from time to time, to double stitch - double arch marks that resemble the applied for marks more than they resemble the opponent's DOUBLE ARCUATE mark.

Reply evidence

With further reference to (i) and (iii) above, I note that Ms. Baker's evidence in reply indicates that an action concerning MANAGER jeans resulted in a settlement and no garments bearing the stitch design are being sold; an action concerning REQUEST brand jeans resulted in a Consent Judgment disallowing the defendant from selling jeans bearing the stitch design on the back pocket; and a cease and desist letter was forwarded in respect of SANTANA jeans which led to a settlement agreement removing the stitch design from the marketplace. The evidence in reply also shows that the opponent has taken similar measures with respect to jeans sold under the REPLAY, SILVER, and BUFFALO brands of jeans referred to in Mr. Lam's affidavit with the result that the aforementioned jeans are no longer sold in association with the stitch design marks.

Cross-examination

The applicant has urged me to draw negative inferences against the opponent for its refusal to answer questions at cross-examination. In this regard, opponent's counsel did not permit Mr. Yaneff to answer questions concerning the distinctiveness, uniqueness and memorability of various third party stitch marks which the opponent had brought into evidence. However, the only reliance that I have placed on Mr. Yaneff's testimony is to accept his

observation that the inherent distinctiveness of the opponent's mark derives from the combination of double arcs comprised of double stitching. I do not believe that a credible basis has been established for Mr. Yaneff's opinions to have probative value concerning the various questions applicant's counsel wished to pose. Accordingly, I have drawn no negative inferences against the opponent.

The applicant has also requested me to draw negative inferences in view of opponent's counsel refusal to permit Ms. Baker to provide complete disclosure of settlement agreements reached between the opponent and the various third party defendants referred to in her reply evidence. The applicant argues as follows at paragraph 27 of its written argument:

There is merit in the applicant's argument that the documents requested might have illuminated the issue of the extent of third party use of stitch marks. However, Ms. Baker's affidavit testimony affirmed that "the use of the marks or designs [of third parties] is on a small scale and short lived . . ." Counsel for the applicant elected to not question Ms. Baker on these matters which appear to be within her scope of knowledge. Accordingly, on the one hand this Board has Ms. Baker's uncontradicted and unchallenged evidence concerning the extent of use of

third party marks and on the other hand there is the applicant's argument for the potential of finding information that would assist the applicant. Had the applicant questioned Ms. Baker on her evidence and had doubts been raised as to the reliability or accuracy of her evidence, then I likely would have acceded to the opponent's request that negative inferences be drawn. However, in the present case where there has been no attempt to question Ms. Baker on her testimony, I do not believe that the applicant has fully established a case for drawing negative inferences.

Factors and material dates concerning the issue of confusion

The issue of confusion between the applied for marks and the opponent's mark is the determinative factor for each of the three grounds of opposition. The material date in respect of the first ground of opposition alleging non-registrability is the date of my decision; the material date in respect of the second ground of opposition alleging non-entitlement is the date of filing the subject application, that is, the priority filing date June 27, 1994; and the material date in respect of the issue of distinctiveness is the date of filing of the opposition, that is, August 9, 1996: for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v. Canadian Retired Persons* (1998), 84 C.P.R.(3d) 198 at 206 - 209 (F.C.T.D.). In the circumstances of the instant case, nothing turns on whether the issue of confusion is determined at any particular material date.

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), between the applied for marks and the opponent's mark. The presence of an 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: see *John Labatt Ltd. v. Molson Companies Ltd.* (1990) 30 C.P.R.(3d) 293 at 297-298 (F.C.T.D.). 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 set out in Section 6(5) 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; all relevant factors are to be considered. All factors do not necessarily have equal weight. 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 C.P.R.(3d) 308 (F.C.T.D.).

As noted earlier, the opponent's DOUBLE ARCUATE mark is not inherently strong. Similarly, the applied for design mark is not inherently strong. Ms. Baker's evidence in chief establishes that the opponent's mark was well known in Canada at all material times while the applicant has failed to establish that either applied for mark acquired any reputation in Canada at any material time. The length of time that the parties' marks have been in use strongly favours the opponent. The parties' wares are the same with respect to overalls and jeans and closely related in respect of the other items of clothing cited in the subject applications. The parties' channels of trade would also be the same or overlapping.

In my view the most important factors in this case are (i) the degree of resemblance

between the marks in issue, and (ii) whether marks similar to the opponent's DOUBLE ARCUATE are common in the marketplace. With respect to (i), I find that the applied for marks incorporate the essential concept of the opponent's mark namely, the double arch - double stitch design, but that the applied for marks nevertheless possess features which are different from the opponent's mark. That is to say, the overall design concept is the same but there are differences in the presentation of the concept. In such cases, where there are points of similarity as well as points of differences between marks, I am guided by the concise statement of the test for confusion set out in *Krazy Glue, Inc. v. Grupo Cyanomex, S.A. de C.V.* 45 C.P.R. (3d) 161 (F.C.T.D.):

The test for confusion is whether an average person, as a matter of **first impression** and **not of close scrutiny** and having an **imperfect recollection** of the trade marks, would be confused.
(emphasis added)

With respect to (ii) above, the applicant argues as follows at paragraph 39 of its written argument:

I do not agree. I find that the applicant's evidence is insufficient to support the premise that consumers are accustomed to seeing third party design marks which are essentially the same as the opponent's DOUBLE ARCUATE mark. Rather, the evidence shows that third party use of double arch - double stitch marks, more closely resembling the applied for marks than the opponent's mark, occurs from time to time but that such use discontinues because of the opponent's efforts to protect its DOUBLE ARCUATE mark. Had the applicant been able to establish long term and extensive use of double arch - double stitch design marks by many third parties, then I agree that such a surrounding circumstance would have weighed significantly in the applicant's favour to limit the breath of protection afforded to the opponent's mark.

To summarize, the visual differences between the parties' marks weighs in the applicant's favour. However, the fact that the applicant's mark employs the same conceptual design features as the opponent's mark, and that the opponent's mark was well known at all material times weighs against the applicant. Considering all of the above, and despite the able and convincing arguments put forward by applicant's counsel, I find that the balance of probabilities is evenly balanced between finding that (i) there is no reasonable likelihood of confusion between the marks in issue and (ii) there is a reasonable likelihood of confusion between the marks in issue. As the onus is on the applicant to show, on a balance of probabilities, that there is no reasonable likelihood of confusion between the marks in issue, I must find against the applicant.

In view of the above, application no. 768,735 is refused.

Application no. 768,734 is of course the mirror image of application no.768,735 and covers the same wares. The issues, evidence, and material dates considered in determining the issue of confusion for application no.768,735 apply equally to application no.768,734, and the same result follows. Accordingly, application no. 768,734 is refused.

DATED AT VILLE DE GATINEAU, QUEBEC, THIS 21st DAY OF OCTOBER, 2003.

Myer Herzig,
Member,
Trade-marks Opposition Board