



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

**Citation: 2013 TMOB 157**  
**Date of Decision: 2013-09-24**

**IN THE MATTER OF AN OPPOSITION  
by The North Face Apparel Corp. to  
application No. 1,380,323 for the trade-  
mark CIRCLE and Design in the name of  
Sanyang Industry Co., Ltd.**

[1] On January 23, 2008, Sanyang Industry Co., Ltd. (the Applicant) applied to register the trade-mark CIRCLE and Design (the Mark), shown below, based on use in Canada since January, 2006 in association with a wide variety of wares and services including, among other things, clothing.



[2] The North Face Apparel Corp. (the Opponent) has opposed this registration on a number of different grounds, including on the basis that there is a reasonable likelihood of confusion between the Mark and the Opponent's registered marks SUMMIT SERIES and Design and S

Design, which had been previously used and made known in Canada in association with a wide variety of outdoor gear and apparel since at least as early as 2000.

[3] For the reasons that follow, I have found that this application should be allowed, but only in respect of certain wares and services as will be discussed in further detail below.

#### Background

[4] The Applicant has filed application No. 1,380,323 for registration of the Mark in association with the following wares and services:

WARES: (1) Lawnmowers; electrical lawnmowers; plows; tractor-towed fertilizer applicators; tractor towed agricultural implements, namely, harrows, rollers, mowers, reapers; internal combustion engines for machine operation and replacement parts therefor; transmissions for machines; transmission gears for machines; continuous variable transmission; boat engines; generators of electricity; couplings for machines; shaft couplings, not for land vehicles; sleeve gear couplings; machine fly-wheels; vehicle parts, namely, cams; connecting rods for motors, engines and machines; pistons, parts of machines or engines; piston rings; cylinder heads for engines; cylinder block; engine hood; camshafts for vehicle engines; gear boxes other than for land vehicles; driving chains other than for land vehicles; brake linings for machines; machine parts, namely, work holding fixtures for precision machining applications; pulleys being parts of machines; air filters for mechanical purposes; oil filters; machine parts, namely, cylinders; fuel filters; gas filters for motors and engines; air cylinder; fuel injectors; fuel injection nozzles; clutches for machines; pistons for cylinders; exhaust manifold for engines; pistons for engines; radiators (cooling) for motors and engines; mufflers for motors and engines; catalytic converters for motors and engines; crank shafts; shock absorbers for machines; power transmission belts for machines, motors and engines used in industrial applications; fan belts for motors and engines; stickers; cards; envelopes; finished letter paper products, namely, birthday cards, invitations and postcards; note papers; books; notebooks; manuals; pictorial prints; calendars; photograph stands; paper bags; boxes of paper or cardboard; glue for stationery or household purposes; pens; pen cases; advertising boards of paper; flags of paper; clothing namely shirts, t-shirts, jerseys, neckties, swimwear and vests for men, women and children; swimsuits; shirts; beachwear; vests; Tee-shirts; coveralls; coats; liveries; footwear namely sandals and boots for men, women and children; scarves; neckties; headwear namely baseball caps and headbands for men and women and motorists' protective helmets for men, women and children; earmuffs; socks; mittens; waistbands.

SERVICES: (1) Design of advertising materials for others; design of product information; advertising services, namely, creating corporate and brand identity for others; import and export agencies; merchandise packaging; retail department stores; mail order catalog services featuring automobiles, motorcycles and their accessories;

providing home shopping services in the fields of automobiles, motorcycles and their accessories by means of television; on-line retail store services featuring automobiles, motorcycles and their accessories; retail stores featuring clothing, textiles, and clothing accessories; retail furniture stores; retail store services in the field of eyeglasses; retail store services featuring electronic appliances and electronic materials; automobile dealerships; retail automobile parts and accessories stores; vending in the fields of jewellery and precious stones; bicycle dealerships; retail bicycle parts and accessories stores; retail store services featuring machinery and equipments; motorcycle dealerships; retail motorcycle parts and accessories stores.

Colour is claimed as a feature of the Mark as follows:

The design is comprised of a narrow outer ring that is shaded in black and white. Within said outer ring is a circular device, said circular device not forming a completely closed circle and including a chevron like band passing through its center, said circular device being shaded in black and white. The background within the narrow outer ring is colored red.

[5] The application was advertised on March 3, 2010, and the Opponent filed a statement of opposition on April 30, 2010, based on each of the grounds of opposition set out in section 38(3) of the *Trade-marks Act*, RSC 1985, c T-13. The statement of opposition was amended August 21, 2012. The grounds of opposition as amended have been set out in detail in the attached Schedule A. The Opponent has pleaded non-compliance with section 30 of the Act as the basis of some of its grounds of opposition and the remaining grounds turn on the determination of the likelihood of confusion between the Mark and either one and/or both of the following trademarks of the Opponent:



Registration No. TMA812,425



Registration No. TMA676,997

[6] The section 30(a) ground of opposition was withdrawn by the Opponent at the oral hearing.

[7] The Applicant filed and served a counter statement, denying the grounds of opposition.

[8] As its evidence, the Opponent filed the affidavit of Christopher M. Turk, Assistant General Counsel and the Assistant Secretary of the Opponent. The Applicant filed the affidavit of Wen-Chieh (Andy) Huang, Vice Director of Overseas Marketing Division of the Applicant, and a certified copy of the Applicant's registration No. TMA730,213.

[9] No cross-examinations were conducted. Both parties filed written arguments and were represented at an oral hearing.

#### Onus and Material Dates

[10] The Applicant bears the legal onus of establishing on a balance of probabilities that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to establish the facts alleged to support each ground of opposition [see *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298 and *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA)].

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

- (a) sections 38(2)(a)/30 - the date of filing the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 at 475 (TMOB) and *Tower Conference Management Co v Canadian Exhibition Management Inc* (1990), 28 CPR (3d) 428 at 432 (TMOB)];
- (b) sections 38(2)(b)/12(1)(d) - the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)];
- (c) sections 38(2)(c)/16(1) - the claimed date of first use [see section 16(1) of the Act];
- (d) sections 38(2)(d)/2 - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC).

### Section 30 – Non-conformity

#### *Non-compliance with section 30(i) of the Act*

[12] The Opponent pleads that the application does not conform to the requirements of section 30(i) of the Act because the Applicant could not have been satisfied that it was entitled to use the Mark having regard to the Opponent's prior rights and registration for the trade-marks SUMMIT SERIES and Design and S Design. Even if the Opponent had plead that the Applicant was aware of the existence of the Opponent's trade-marks when it filed its application, being aware of the Opponent's marks would not necessarily have prevented the Applicant from being satisfied that it was entitled to use its mark, on the basis that the Applicant did not believe that the marks were confusing.

[13] Further, where an applicant has provided the statement required by section 30(i), 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 [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. As this is not such a case, I am dismissing this ground of opposition.

#### *Non-compliance with section 30(b) of the Act*

[14] The Opponent has pleaded that the application does not comply with section 30(b) of the Act because the Applicant has not used the Mark in Canada in association with the wares and

services listed in the application since the date alleged, namely, since at least as early as January, 2006.

[15] There is an initial evidential burden on the Opponent with respect to the issue of the Applicant's non-compliance with section 30(b). This burden can be met by reference not only to the Opponent's evidence but also to the Applicant's evidence [see *Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) (FCTD) 216 at 230]. However, while the Opponent may rely upon the Applicant's evidence to meet its evidential burden in relation to this ground, the Opponent must show that the Applicant's evidence is clearly inconsistent with the Applicant's claims as set forth in its application [see *Ivy Lea Shirt Co v 1227624 Ontario Ltd* (1999), 2 CPR (4th) 562 at 565-6 (TMOB), affirmed 11 CPR (4th) 489 (FCTD)].

[16] In this case, the Opponent has relied exclusively upon the Applicant's evidence to meet its initial burden. In this regard, the Opponent's arguments may be summarized as follows:

- the Applicant has only indicated use of the Mark in association with the sale of scooters and motorcycles in Canada between 2007 and 2011 and not use in association with any of the other applied for wares or services;
- the Applicant does not show any use of the Mark as of January, 2006;
- although the affiant states that the Applicant has provided jackets which bear the Mark to dealerships in Canada which sold the Applicant's motorcycles and scooters for promotional usage since 2009, no images of the jackets bearing the Mark were provided;
- even if the Mark did appear on the Applicant's jackets, the distribution in 2009 does not support the Applicant's claimed date of first use of January 2006;
- providing jackets bearing the Mark for promotional use is not use in the normal course of trade pursuant to section 4(1) of the Act.

[17] The Opponent appears to have focused on what was missing in the Huang affidavit to substantiate the Applicant's claimed date of first use as opposed to pointing out where there may

have been inconsistencies in the Applicant's evidence in order to meet its evidential burden under this ground. Had there been a clear discrepancy in the evidence regarding the Applicant's claimed date of first use of January, 2006, then the onus would have been on the Applicant to positively support the date it has claimed.

[18] Although it may have been preferable for the Applicant to provide details pertaining to the use of the Mark in association with the applied for wares and services dating back to January 2006, the fact that it may not have done so does not amount to an inconsistency. Further, while I agree with the Opponent that the provision of jackets bearing the Mark for promotional purposes to dealerships in Canada which sold the Applicant's motorcycles and scooters does not show use of the Mark in the normal course of trade pursuant to section 4(1), the fact that the Applicant may have done so does not necessarily mean that the Applicant has not also properly used the Mark in association with jackets since the claimed date of first use. I am therefore unable to conclude that the Opponent has met its initial evidential burden.

[19] Accordingly, this ground of opposition is dismissed.

#### Section 16(1)(b) – Non-entitlement

[20] The Opponent pleads that the Applicant is not the person entitled to the registration because the Mark was confusing with the Opponent's mark SUMMIT SERIES and Design for which an application for registration had been filed in Canada by the Opponent on July 12, 2005.

[21] Section 16(1)(b) requires the Opponent to have filed a trade-mark application in Canada prior to the Applicant's date of first use (i.e. January, 2006). Section 16(4) requires that an application relied upon pursuant to section 16 be pending at the date of advertisement of the Applicant's application [see *Governor and Co of Adventurers of England trading into Hudson's Bay v Kmart Canada Ltd* (1997), 76 CPR (3d) 526 (TMOB) at p 528].

[22] The Opponent's trade-mark application issued to registration on November 12, 2006. Therefore, while the Opponent did file its trade-mark application in Canada prior to the Applicant's date of first use, the Opponent's application was not pending as of the date of advertisement of the Applicant's application (March 3, 2010). Accordingly, this ground of opposition is dismissed.

Section 12(1)(d) – Non-registrability

[23] The Opponent has pleaded that the Mark is not registrable because it is confusing with its trade-marks SUMMIT SERIES and Design, which is the subject of registration No. TMA676,997 and S Design, registration No. TMA812,425. I have exercised my discretion and checked the register to confirm that the Opponent’s registrations are extant [see *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.

[24] 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-marks.

[25] I will assess the section 12(1)(d) ground of opposition based on confusion between the Mark and the Opponent’s trade-mark S Design, subject to registration No. TMA812,425 as I am of the view that the Opponent’s case is strongest with respect to this trade-mark. Registration No. TMA812,425 is registered for use in association with the following wares:

Backpacks, duffel bags, internal and external frame packs; sleeping bags; tents and tent accessories, namely, tent storage bags, rain flies, vinyl ground cloths, tent pole storage sacks, and gear loft platforms used for storage; clothing, namely, t-shirts, shirts, tops, pants, side zip pants, shorts, vests, parkas, anoraks, coats, Jackets, wind-resistant jackets, pullovers, sweaters, overalls, thermal underwear, hosiery, socks, tights, gloves, mittens, shells, one-piece shell suits, ski wear, ski suits, ski vests, ski jackets, ski bibs, bib overalls, bib pants, snowboard wear, snow pants, snow suits, rainwear, rain jackets, rain pants. Boots, namely, hiking and trekking boots; shoes, namely, climbing, hiking, trail running, athletic, and sneakers. Headgear, namely, hats, caps, balaclavas, mufflers, headbands, visors, beanies.

[26] If there is no likelihood of confusion between the Mark and registration No. TMA812,425 then there would be no likelihood of confusion with respect to the Opponent’s other registration. As a result, my determination of a likelihood of confusion as between the Mark and the Opponent’s registration No. TMA812,425 will be determinative of the section 12(1)(d) ground of opposition. As most of the Opponent’s evidence regards both of the Opponent’s trade-marks, I will refer to “the Opponent’s trade-marks” when necessary.



### *The test for confusion*

[27] Section 6(2) of the Act indicates that 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 wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[28] The test for confusion is one of first impression and imperfect recollection. As noted by Mr. Justice Denault in *Pernod Ricard v Molson Breweries* (1992), 44 CPR (3d) 359 at 369:

The trade marks should be examined from the point of view of the average consumer having a general and not a precise recollection of the earlier mark. Consequently, the marks should not be dissected or subjected to a microscopic analysis with a view to assessing their similarities and differences. Rather, they should be looked at in their totality and assessed for their effect on the average consumer as a whole.

[29] 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 and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight [see, in general, *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC) and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) (*Masterpiece*)].

[30] In *Masterpiece*, the Supreme Court of Canada stated that the degree of resemblance between the marks is often likely to have the greatest effect on the confusion analysis [see also *Beverley Bedding & Upholstery Co v Regal Bedding & Upholstery Ltd* (1980), 47 CPR (2d) 145 (FCTD) at 149, affirmed 60 CPR (2d) 70] and it chose to begin its confusion analysis by considering that factor. While the Supreme Court observed that for the purpose of distinctiveness, the first word of a trade-mark may be the most important [see *Conde Nast Publications Inc v Union des éditions modernes* (1979), 46 CPR (2d) 183 (FCTD)], it opined that the preferable approach when comparing marks is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique.

[31] Bearing this in mind, I have elected to begin my analysis by considering section 6(5)(e).

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

[32] In the present case, there is a high degree of resemblance between the Opponent's S Design mark and the Mark in appearance. In this regard, both marks comprise unique circle designs with a chevron in their centre. The main difference is that the chevron is horizontal in the Mark and vertical in the Opponent's mark. While it is acknowledged that colour has been claimed as a feature of the Mark, in view that the Opponent is permitted to use whatever colour it wants in association with its mark, this fact does not diminish the degree of resemblance between the marks.

[33] I do agree with the Applicant that there are some differences in the ideas suggested by the marks. In this regard, the vertical chevron in the Opponent's marks suggests the idea of a mountain peak or summit. This association is consistent with the Opponent's apparel and equipment for use in activities such as climbing, mountaineering, extreme skiing and snowboarding, all of which involve mountains or hills. Since the chevron in the Mark is horizontal (i.e. points to the right instead of upwards), and is used for different wares and services, the idea suggested by the Mark is different from that suggested by the Opponent's mark.

*Section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which they have become known*

[34] Both of the parties' marks are inherently distinctive because they are unique designs. The Mark is slightly inherently stronger than the Opponent's mark because it is not suggestive of the nature of its associated wares and services while the chevron in the Opponent's mark, as previously noted, could be viewed as a design of a mountain which relates to the nature of the Opponent's business.

[35] The strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use. I will now turn to the extent to which the trade-marks have become known in Canada.

[36] In his affidavit, Mr. Turk states that the Opponent, through its sister operating company VF Outdoor Inc., designs, manufactures, supplies and sells outdoor apparel, equipment and apparel for climbers, mountaineers, extreme skiers, snowboarders, endurance runners and explorers. Sales of such wares in Canada in association with the Opponent's trade-marks have ranged between \$2,023,000 and \$9,910,000 between 2004 and 2011. He also notes that advertising expenses in Canada between 2000 and 2011 have ranged between \$14,253 and \$757,551. A sampling of representative magazine advertisements displaying the Opponent's marks from the issues of Backpacker magazine and Outsider magazine (between October 2007 and November 2010) is attached to his affidavit as Exhibit H.

[37] The Applicant argues that the evidence does not indicate that the Opponent has licensed use of its marks to VF Outdoor, Inc. and there is no evidence from which it can be inferred that such a licensing relationship exists. I agree. The fact that VF Outdoor Inc. may be a sister operating company of the Opponent is not, on its own, sufficient to establish the existence of a license within the meaning of section 50. Since the Opponent's marks have been used by an unlicensed third party, they cannot be said to have any acquired distinctiveness in the hands of the Opponent.

[38] With respect to the acquired distinctiveness of the Mark in Canada, the evidence of the Applicant's affiant Mr. Huang provides the following information:

- the Applicant has sold over 1000 scooters and motorcycles in Canada displaying the Mark between 2007 and 2011;
- the Applicant provided jackets bearing the Mark to dealerships in Canada in 2009 which sold the Applicant's motorcycles and scooters for promotional purposes;
- the Mark has been displayed on the Applicant's Canadian website since 2008;

- the Mark has been displayed on Canada Motor Importation Inc.'s (the Applicant's distributor) website since 2007.

[39] It is relevant at this point to note that the Applicant already owns a registration for an identical mark (TMA730,213) that is registered in association with, among other things, motorcycles and scooters. While the evidence shows that the Applicant's registered mark may have become known to some extent in Canada in association with motorcycles and scooters, there is very little, if any, evidence of use of the Mark in association with any of the applied for wares or services. I therefore do not find that the Mark has become known to much extent in Canada in association with the applied for wares and services.

*Section 6(5)(b) - the length of time the trade-marks have been in use*

[40] While the Opponent's mark has been in use for a longer period of time than the Mark, in view that the use shown by the Opponent does not inure to its benefit, this factor favours the Applicant.

*Section 6(5)(c) the nature of the wares, services or business; and d) the nature of the trade*

[41] It is the Applicant's statement of wares and services as defined in its application versus the Opponent's registered wares that govern my determination of this factor [see *Esprit International v Alcohol Countermeasure Systems Corp* (1997), 84 CPR (3d) 89 (TMOB)].

[42] The Opponent's wares are not the same as those to which the Applicant's wares and services relate. In this regard, the Opponent's mark is registered for use in association with outdoor apparel, equipment and footwear for climbers, mountaineers, extreme skiers, snowboarders, endurance runners and explorers while the Applicant's wares and services include and relate to various types of machines, engines, motors, vehicles and their parts. However, the description of the Applicant's wares is broad enough to include clothing, with the result that there is overlap between the parties' wares and services to some extent. I therefore agree with the Opponent that there is overlap between its wares and the following wares of the Applicant:

Clothing namely shirts, t-shirts, jerseys, neckties, swimwear and vests for men, women and children; swimsuits; shirts; beachwear; vests; Tee-shirts; coveralls; coats; liveries;

footwear namely sandals and boots for men, women and children; scarves; neckties; headwear namely baseball caps and headbands for men and women and motorists' protective helmets for men, women and children; earmuffs; socks; mittens; waistbands.

[43] I disagree with the Opponent, however, that the Applicant's wares identified as "motorists' protective helmets for men, women and children" also overlap with the Opponent's wares. In this regard, I agree with the Applicant that these wares do not relate in any way to nature of the Opponent's business, especially in view that the nature of the Opponent's business does not regard motorized vehicles.

[44] With respect to the Applicant's services, Mr. Turk states that the following applied for services are "of concern" to the Opponent:

Design of advertising materials for others; design of product information; advertising services, namely, creating corporate and brand identity for others; import and export agencies; merchandise packaging; retail department stores; retail stores featuring clothing, textiles, and clothing accessories; retail store services in the field of eyeglasses

[45] The Applicant submits that this concern is unfounded because there is no evidence that the Opponent provides any services in association with its marks, and its marks are not registered for use in association with any services. The Applicant also argues that since the majority of the Applicant's wares regard motorized vehicles and their accessories which do not overlap with the Opponent's high performance outdoor gear and apparel, it follows that the above identified services do not overlap with the Opponent's wares.

[46] I agree with the Applicant that the above noted services do not overlap with the Opponent's wares. However, in view that the Opponent's clothing wares could be advertised and sold through the Applicant's stores, I do find that the Opponent's wares and the Applicant's services are related.

[47] With respect to the parties' channels of trade, the Opponent sells its products in Canada through a variety of outlets, including its own The North Face stores, specialty mountaineering, backpacking, running, and snowsport retailers; premium sporting goods retailers; outdoor specialty retail chains and online retailers. In contrast, the Applicant's wares are distributed in Canada by Canada Motor Importation Inc. and sold through various dealerships.

[48] The Applicant submits that since its wares are neither provided to, nor offered for sale in, the types of outdoor lifestyle specialty retailers in which the Opponent's products are sold, there is little or no overlap between the channels of trade used by the Applicant and the Opponent. 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 Applicant to date, the Supreme Court reminded us in *Masterpiece* that the focus must be on the terms set out in the application for the Mark and on what the "the registration would authorize the [Applicant] to do, not what the [Applicant] happens to be doing at the moment." I therefore find that the parties' channels of trade for the overlapping wares and services could overlap.

*Surrounding Circumstance - Co-existence between the trade-marks*

[49] As a surrounding circumstance, the Applicant has submitted evidence of co-existence between the Opponent's mark and the Mark, both in Canada and elsewhere. The Applicant points out that both its Canadian registration No. TMA730,213 and the present application are based on use in Canada since as early as 2006. The Applicant submits that this demonstrates that the Mark and the Opponent's mark have co-existed in Canada without evidence of confusion for almost six years.

[50] It is of course not necessary for the Opponent to evidence confusion in order for me to find that there is a likelihood of confusion but the absence of confusion despite the overlap of the services and channels of trade may result in a negative inference being drawn about the Opponent's case [see *MonSport Inc v Vetements de Sport Bonnie (1978) Ltée* (1988), 22 CPR (3d) 356 (FCTD); *Mercedes-Benz AG v Autostock Inc* (1996), 69 CPR (3d) 518 (TMOB)]. In the present case, although there has been a six year period of co-existence between the marks, the lack of evidence that the Mark has been used in Canada to any extent in association with the overlapping wares and services, prevents me from drawing any negative inference.

[51] The Applicant also submits that it is significant that it has registered the Mark in many countries of the world and has co-existed with the Opponent's marks abroad, with no evidence being presented of confusion abroad. However, in view that there may be factors that justify the co-registration of marks in a foreign jurisdiction that do not exist in Canada (e.g. differences in the law or a different state of the register), co-existence on foreign trade-mark registers is to be

accorded little weight [see *Quantum Instruments, Inc v Elinca SA* (1995), 60 CPR (3d) 264 (TMOB) at 268-9]. It is also important to note that section 19 of the Act does not give the owner of a registration the automatic right to obtain further registrations for the same or similar marks: see *Groupe Lavo Inc v Procter & Gamble Inc* (1990), 32 CPR (3d) 533 (TMOB) at p 538.

*Conclusion regarding the likelihood of confusion*

[52] The question is whether the typical Canadian consumer, who has an imperfect recollection of the Opponent's S Design trade-mark for high performance outdoor gear and apparel would, upon seeing the Mark in association with the applied for wares and services, assume as a matter of immediate impression that the wares and services all share a common source.

[53] Having considered all of the surrounding circumstances, in particular the overlap in the nature of the parties' wares and trade and the high degree of resemblance between the marks in appearance, 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 following wares and services (the overlapping wares and services):

Clothing namely shirts, t-shirts, jerseys, neckties, swimwear and vests for men, women and children; swimsuits; shirts; beachwear; vests; Tee-shirts; coveralls; coats; liveries; footwear namely sandals and boots for men, women and children; scarves; neckties; headwear namely baseball caps and headbands for men and women and motorists' protective helmets for men, women and children; earmuffs; socks; mittens; waistbands.

Design of advertising materials for others; design of product information; advertising services, namely, creating corporate and brand identity for others; import and export agencies; merchandise packaging; retail department stores; retail stores featuring clothing, textiles, and clothing accessories; retail store services in the field of eyeglasses

[54] With respect to the remainder of the wares and services, the difference in the nature of the wares and trade shift the balance of probabilities in favour of the Applicant. I therefore reject the ground of opposition based on section 12(1)(d) of the Act with respect to the remainder of the wares and services.

[55] In reaching my conclusion, I am not considering the validity of the Opponent's registered trade-mark, merely the scope of protection to which it might be entitled [see *Molson Canada 2005 v Anheuser-Busch, Incorporated*, (2010) 82 CPR (4th) 169 (FC)]. In other words, I am of the view that the scope of protection to be accorded to the Opponent's S Design mark is not so broad as to prevent third parties from using a similar design in association with wares and services that are not at all related to those wares of the Opponent.

[56] Having regard to the foregoing, I allow the ground of opposition based on section 12(1)(d) of the Act with respect to the overlapping wares and services only.

#### Section 16(1)(a) – Entitlement

[57] With respect to the section 16(1)(a) ground of opposition, there is an initial burden on the Opponent to evidence use or making known of its trade-mark prior to the Applicant's date of first use. As the Opponent has not shown use by itself or a licensee whose use satisfies the requirements of section 50 of the Act, the Opponent has not met its burden and the section 16(1)(a) ground of opposition is accordingly dismissed.

#### Section 38(2)(d) – Non-distinctiveness

[58] Under the issue of distinctiveness, it is not relevant whether or not a third party who uses the Opponent's mark is licensed to do so. What the Opponent must show is that the S and Design trade-mark has 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)]. From the evidence furnished, I am satisfied that the Opponent has met its burden under this ground.

[59] This ground also turns on the determination of the issue of confusion. My findings under the section 12(1)(d) ground of opposition are, for the most part, also applicable to this ground. This ground is therefore also successful with respect to the overlapping wares and services.



## Disposition

[60] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application with respect to the following wares and services:

Clothing namely shirts, t-shirts, jerseys, neckties, swimwear and vests for men, women and children; swimsuits; shirts; beachwear; vests; Tee-shirts; coveralls; coats; liveries; footwear namely sandals and boots for men, women and children; scarves; neckties; headwear namely baseball caps and headbands for men and women and motorists' protective helmets for men, women and children; earmuffs; socks; mittens; waistbands.

Design of advertising materials for others; design of product information; advertising services, namely, creating corporate and brand identity for others; import and export agencies; merchandise packaging; retail department stores; retail stores featuring clothing, textiles, and clothing accessories; retail store services in the field of eyeglasses

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

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

## *Schedule A*

### **Grounds of Opposition**

#### Section 38(2)(a); Section 30(a):

Pursuant to Section 38(2)(a), the Application does not comply with Section 30(a) in that the Applicant has not provided a statement in ordinary commercial terms of the specific wares and services in association with which the mark has been used.

#### Section 38(2)(a); Section 30(b):

Pursuant to Section 38(2)(a), the Application does not comply with Section 30(b) in that the Applicant, by itself or through a licensee, or by itself and through a licensee, did not have use of the Trade-mark, as of January 2006 in association with the applied for wares and services, as listed in the Application.

#### Section 38(2)(a); Section 30(i):

Pursuant to Section 38(2)(a), the Application does not comply with Section 30(i), since the Applicant could not have been satisfied, as of the filing date of the Application for the Trade-Mark, namely, January 23, 2008, that it was entitled to use the Trade-Mark in Canada in association with the wares and services listed in the Application, since the Applicant had, or ought to have had, prior knowledge of the trade-marks SUMMIT SERIES & Design (Reg. No. TMA 676,997) and S DESIGN which had been previously used in Canada in association with: Backpacks, duffel bags, internal and external frame packs; sleeping bags, sleeping bag pad, and bivouac sacks, namely, a type of sleeping bag that is normally used in association with a traditional sleeping bag, which eliminates the need for a tent when sleeping outdoors; non metal tent poles and tent stakes; tents and tent accessories, namely, tent storage bags, rain flies, vinyl ground cloths, tent pole storage sacks, and gear 10ft platforms used for storage; clothing, namely, jackets, parkas, coats, pants, bib overall pants, vests, one-piece shell suits, shells, mittens, gloves, hats, rainwear, wind resistant jackets, shorts, shirts, t-shirts, thermal underwear, and sweaters; boots, namely, hiking and trekking boots; shoes, namely, climbing, hiking, trail running, athletic, sneakers, and slippers, and climbing slippers; portable ledges for mountain climbing and chairs used for mountain climbing.

Specifically, the Applicant ought to have known that it was not entitled to use the Trade-Mark in association with the wares and services listed in the Application, as any such use would be likely to cause confusion in the marketplace with the trade-marks SUMMIT SERIES & Design and S DESIGN.

#### Section 38(2)(b); Section 12(1)(d):

Pursuant to Section 38(2)(b), the Applicant's Mark is not registrable, having regard to Section

12(1)(d), in that the Trade-Mark was, at all material times, confusing with the Opponent's previously registered trade-mark SUMMIT SERIES & Design (Reg. No. TMA676, 997) and S DESIGN (Reg. No. TMA812,425).

Section 38(2)(c); Section 16(1)(a):

Pursuant to Section 38(2)(c), the Applicant is not the person entitled to the registration of the Trade-mark, in that, pursuant to Section 16(1)(a), the Trade-Mark was, at all material times, confusing with the trade-marks SUMMIT SERIES & Design and S DESIGN, which had been previously used in Canada, in association with:

Backpacks, duffel bags, internal and external frame packs; sleeping bags, sleeping bag pad, and bivouac sacks, namely, a type of sleeping bag that is normally used in association with a traditional sleeping bag, which eliminates the need for a tent when sleeping outdoors; non metal tent poles and tent stakes; tents and tent accessories, namely, tent storage bags, rain flies, vinyl ground cloths, tent pole storage sacks, and gear 10ft platforms used for storage; clothing, namely, jackets, parkas, coats, pants, bib overall pants, vests, one-piece shell suits, shells, mittens, gloves, hats, rainwear, wind resistant jackets, shorts, shirts, t-shirts, thermal underwear, and sweaters; boots, namely, hiking and trekking boots; shoes, namely, climbing, hiking, trail running, athletic, sneakers, and slippers, and climbing slippers; portable ledges for mountain climbing and chairs used for mountain climbing.

Section 38(2)(c); Section 16(1)(b):

Pursuant to Section 38(2)(c), the Applicant is not the person entitled to the registration of the Trade-mark, in that, pursuant to Section 16(1)(b), the Trade-Mark was, at all material times, confusing with the trade-mark SUMMIT SERIES & Design, for which an application for registration had been previously filed in Canada by The North Face Apparel Corp. on July 12, 2005 (App. No. 1,264,452) and registered on November 16, 2006 under Registration Number TMA676,997 for use in association with:

Backpacks, duffel bags, internal and external frame packs; sleeping bags, sleeping bag pad, and bivouac sacks, namely, a type of sleeping bag that is normally used in association with a traditional sleeping bag, which eliminates the need for a tent when sleeping outdoors; non metal tent poles and tent stakes; tents and tent accessories, namely, tent storage bags, rain flies, vinyl ground cloths, tent pole storage sacks, and gear 10ft platforms used for storage; clothing, namely, jackets, parkas, coats, pants, bib overall pants, vests, one-piece shell suits, shells, mittens, gloves, hats, rainwear, wind resistant jackets, shorts, shirts, t-shirts, thermal underwear, and sweaters; boots, namely, hiking and trekking boots; shoes, namely, climbing, hiking, trail running, athletic, sneakers, and slippers, and climbing slippers; portable ledges for mountain climbing and chairs used for mountain climbing.

Section 38(2)(d); Section 2:

Pursuant to Section 38(2)( d), the Trade-Mark is not distinctive within the meaning of Section 2, in that the Trade-Mark does not actually distinguish the wares and services of the Applicant, as listed in the Application, from the wares and services of others, including those of the Opponent, nor is the Trade-Mark adapted so as to distinguish, nor is it capable of distinguishing, the wares of the Applicant, as listed in the Application, from the wares of others, including those of the Opponent.

The Opponent states, and the fact is, that by reason of the trade-marks and registrations for SUMMIT SERIES & Design and S DESIGN, which had been previously used in Canada, the Trade-Mark cannot serve to distinguish the wares and services of the Applicant.