

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

Citation: 2017 TMOB 12
Date of Decision: 2017-02-05

Intercast Europe S.r.l.

Opponent

and

Next Retail Limited

Applicant

1,466,490 for next Design

Application

[1] On January 20, 2010, Next Retail Limited (the Applicant) filed an application to register the trade-mark next Design set out below (the Mark).



The application is based on the Applicant's proposed use in Canada and its use and registration in the United Kingdom in association with the following Goods and Services:

Goods:

(1) Soaps, namely skin soaps, laundry soap, dish soap; perfumery, essential oils for aromatherapy, cosmetics, hair lotions; computers; televisions; radios; jewellery and imitation jewellery; trunks ; travelling cases; luggage; suitcases; holdalls; valises; handbags; shoulder bags; toilet bags; briefcases; attaché cases; music cases; satchels;

beauty cases; carriers for suits, shirts and for dresses; tie cases; note cases; note book holders; document cases and holders; credit card cases and holders; cheque book holders; wallets; purses; umbrellas, parasols; household or kitchen utensils and containers namely cooking utensils, mops, furniture dusters, beverage containers, garbage containers, plastic storage containers; glassware namely beverage glassware, decorative figurine glassware, laboratory glassware, glass bowls, glass coasters, glass ornaments; porcelain namely porcelain vases, cake plates, egg cups, napkin holders, mixing bowls, gravy boats, cups and saucers; earthenware namely plates, saucers, cups and bowls, earthenware storage containers, namely canisters; earthenware servingware, earthenware candle holders; earthenware bakeware; textile and textile goods namely textiles for carpets, clothes, footwear, furniture; textile fabrics, textile ribbons, raw textile fibres, bath towels, bed sheets, table cloths, napkins; belts; articles of clothing, (excluding clothing sold as loungewear, sleepwear or nightwear), namely caps, scarves, gloves, mittens, belts, coats, jackets (excluding jackets sold as loungewear, sleepwear or nightwear), winter jackets, hats, suntops, pants (excluding pants sold as loungewear, sleepwear or nightwear), suits, shirts (excluding shirts sold as loungewear, sleepwear or nightwear), trousers, skirts, dresses, sundresses, shorts (excluding shorts sold as loungewear, sleepwear or nightwear), vests, tops (excluding tops sold as loungewear, sleepwear or nightwear), cardigans, jeans, t-shirts (excluding t-shirts sold as loungewear, sleepwear or nightwear), tunics, sarongs, swimsuits, bikinis, blouses, cycle shorts, jogging pants, gilets, wraps, raincoats, blazers, jumpers and sweatshirts; boots, shoes, and sandals; shirt buttons, clothing buttons; zips and fastenings namely zip fasteners, clothing fasteners, snap fasteners, stud fasteners, slide fasteners.

Services:

(1) Retail department store services, retail, online, mail order, catalogue and direct mail services for the sale of clothing, furniture, consumer electronics.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of April 10, 2013.

[3] On September 10, 2013, Intercast Europe S.r.l. (the Opponent) filed a statement of opposition. The grounds of opposition can be summarized as follows:

- The application does not comply with section 30(e) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) because the Applicant did not intend to use the Mark in association with all of the Goods and Services.

- The application does not comply with section 30(e) of the Act because at the time of filing of the application, the Applicant had used the Mark in association with some or all of the Goods and Services.
- The application does not comply with section 30(e) of the Act because at the time of filing the application, the Applicant intended to use a different Mark in association with some or all of the Goods and Services.
- The application does not comply with section 30(d) of the Act because at the time the application was filed, the application did not contain all of the information required by section 30(d) of the Act.
- The application is not registrable as it is confusing with the Opponent's registration Nos. TMA683,508 for the trade-mark NXT Design and TMA612,854 for the trade-mark NXT Design (the Opponent's Registrations).
- The Applicant is not the person entitled to register the Mark pursuant to section 16(2)(a) of the Act because at the date of filing the application, it was confusing with the trade-marks that are the subject of the Opponent's Registrations.
- The Applicant is not the person entitled to register the Mark pursuant to section 16(3)(a) of the Act because at the date of filing the application, it was confusing with the trade-marks that are the subject of the Opponent's Registrations.
- The Mark is not distinctive of the Goods and Services and has not been adapted to distinguish the Goods and Services from those of the Opponent.
- The application does not comply with section 30(i) of the Act because at the time the application was filed, the Applicant knew, is deemed to have known or should have known of the rights and reputation attaching to the Opponent's trade-marks in Canada. The Applicant could not have been satisfied it is or was entitled to use the Mark in Canada in association with the Goods and Services given the Opponent's Registrations in Canada and sections 7, 20, and 22 of the Act.

[4] The Applicant served and filed a counter statement.

[5] In support of its opposition, the Opponent filed certified copies of its registrations. In support of its application, the Applicant filed the affidavit of Sarah Louise Waterland and a certified copy of the Applicant's registration No. TMA458,879 for the trade-mark NX Design. Ms. Waterland was not cross-examined.

[6] Only the Applicant filed a written argument and no hearing was held.

Onus and Material Dates

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

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



- sections 38(2)(a)/30(d), 30(e) and (i) - 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)].
- 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)].
- sections 38(2)(c)/16(2) and 16(3) - the date of filing the application [see sections 16(2) and 16(3) of the Act].
- 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)].

Analysis of the Grounds of Opposition

[9] I will first begin with a consideration of the section 12(1)(d) ground of opposition.

Section 12(1)(d) Ground of Opposition

[10] An opponent's initial evidential burden is met with respect to a section 12(1)(d) ground of opposition if one or more of the registrations relied upon in the statement of opposition is in good standing as of the date of the decision. The Registrar has discretion to check the register in order to confirm the existence of a registration relied upon by an opponent [see *Quaker Oats of Canada Ltd./La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd.* (1986), 11 CPR (3d) 410 (TMOB)]. I have exercised the Registrar's discretion and confirm that the Opponent's Registrations are both valid (although following a merger the registrations now stand in the name of Essilor Italia S.p.A.). The particulars of these registrations are set out below.

Registration No.	Trade-mark	Goods
TMA612,854		Lenses for eyeglasses and sunglasses; plastic in the form of liquid resin, sheets, bars, blocks, rods and tubes for use in manufacturing.
TMA683,508		Optical lenses, lenses for spectacles and sunglasses; contact lenses; spectacles, spectacle cases; eye pieces, namely lenses for eye glasses and frames for eye glasses; spectacle mounts; semi-processed plastics in the form of liquid resin; sheets, bars, blocks and rods for construction purposes.

[11] The test for confusion is one of first impression and imperfect recollection. 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 goods or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

[12] 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 goods, 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), 96 CPR (4th) 361 (SCC).]

Inherent Distinctiveness

[13] The Mark and each of the Opponent's NXT Design trade-marks are inherently distinctive; they neither describe nor suggest the character or quality of their associated goods or services.

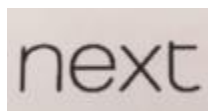
Extent to Which Marks Have Become Known

[14] The Opponent has not filed any evidence of use or reputation of its registered trade-marks in Canada. In contrast, the Applicant has filed evidence which allows me to conclude that the Mark has become known in Canada to some extent. It is not clear, however, to what extent it is known since the evidence often refers to the Mark and the Opponent's NX Design trade-mark collectively. The evidence of Ms. Waterland, Company Solicitor with the Applicant, is that:

- The Mark and the Applicant's trade-mark NX design (set out below) appear prominently on goods sold in Canada (para 13, Exhibit D).



- The design below appears on advertisements sent to Canadian consumers, tracking emails sent to Canadian consumers after purchases are made on the Applicant's Canadian website (*ca.nextdirect.com*) and invoices issued to customers in Canada (paras 5, 9 and 14 and Exhibits A, C and E).



I consider this trade-mark to be use of the Mark as the dominant features of the mark applied-for, in the particular font, are maintained. I consider the change in colour of the font and background to be minor deviations [*Registrar of Trade Marks v Cie internationale pour l'informatique CII Honeywell Bull SA* (1985), 4 CPR (3d) 523 (FCA); *Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)].

- Sales of good bearing the Mark and the NX Design trade-mark sold in Canada ranged from £344,000 in 2011 to over £1,115,000 in 2014 (para 12).

Length of Time in Use

[15] This factor favours the Applicant as it has established use of the Mark since at least as early as March, 2012 (see invoice of the same date attached as Exhibit C). In contrast, there is no evidence that the Opponent's registered trade-marks have been in use in Canada.

Nature of Goods, Services or Business and Trade

[16] It is the Applicant's statement of goods and services as defined in its application versus the Opponent's registered goods that govern my determination of this factor [see *Esprit International v Alcohol Countermeasure Systems Corp.* (1997), 84 CPR (3d) 89 (TMOB)]. I find that the Goods and Services are clearly different from the Opponent's registered goods. The Opponent's registered goods all relate to items to improve or protect sight or items to be used to make eyeglasses. None of the Goods or Services have a similar function. That being said, to the extent that eyeglasses may be regarded as falling in the broad category of fashion accessories and the Goods and Services include fashion accessories, I consider there to be some overlap [*Cartier Inc. v Cartier Optical Ltd./Lunettes Cartier Ltée* (1988), 20 CPR (3d) 68 (FCTD) at 74]. Despite this, however, this does not significantly favour the Opponent because the trade-marks of the parties relate to different goods falling within the broad category of fashion related items [see, *Nikita ehf. v Centennial Optical Limited*, 2016 TMOB 186 at para 81 citing *Garbo Group v Harriet Brown & Co.* (1999), 3 CPR (4th) 224 (FCTD)].

Degree of Resemblance

[17] When considering the degree of resemblance, the law is clear that the trade-marks must be considered in their totality. It is not correct to lay them side by side and compare and observe similarities or differences among the elements or components of the trade-marks. It is nevertheless possible to focus on particular features of a trade-mark that may have a determinative influence on the public's perception of it [see *United Artists Corp v Pink Panther Beauty Corp* (1998), 80 CPR (3d) 247 at 263 (FCA)]. The preferable approach is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique [see *Masterpiece*, supra at para 64].

[18] In this case, I find that the intentional misspelling of the Opponent's trade-marks and the stylization emphasizing the letter X to be the most striking aspects of each of the Opponent's NXT Design trade-marks. With respect to the Mark, there is no particularly unique or striking aspect of this trade-mark which consists of a dictionary word with minimal stylization.

[19] To the extent that consumers pronounce the Opponent's trade-marks as "next", the parties' trade-marks are identical as sounded and idea suggested. The Mark, however, at most has a fair degree of resemblance in appearance to each of the Opponent's NXT Design trade-marks. In this regard, the different stylization and spellings of the trade-marks renders them quite different in appearance. Where parties' trade-marks share features but the differences between them serve to dominate those common features, there may be little likelihood of confusion [*Chalet Bar B-Q (Can.) Inc. v Foodcorp Ltd.* (1982), 66 CPR (2d) 56 at 73 (FCA)]. I find this to be such a case here with the differences in spelling and stylization emphasizing the X component in each of the Opponent's trade-marks.

Surrounding Circumstance: No Evidence of Actual Confusion

[20] The Applicant submits that the lack of evidence of confusion is a surrounding circumstance favouring it. An adverse inference concerning the likelihood of confusion may be drawn when concurrent use on the evidence is extensive and no evidence of confusion has been given by an opponent [*Christian Dior SA v Dion Neckwear Ltd* (2002), 2002 FCA 29 (CanLII),

20 CPR (4th) 155 (FCA) at para 19]. However, in the present case, I cannot draw such an inference because there is no evidence of extensive concurrent use.

Surrounding Circumstance: Prior Registration

[21] As part of its evidence, the Applicant filed a certified copy of registration No. TMA458,879 for the trade-mark NX Design for use in association with footwear namely, boots; clothing namely, T-shirts; headgear namely, caps. The design is set out below:



[22] I do not find that this trade-mark assists the Applicant in proving that there is no likelihood of confusion between the Mark and the Opponent's NXT Design trade-marks. It is well established that an applicant's ownership of one or more trade-marks does not give the automatic right to obtain a further registration [*Coronet-Werke Heinrich Schlerf GmbH v Produits Ménagers Coronet Inc* (1984), 4 CPR (3d) 108 at 115 (TMOB); *385229 Ontario Limited v ServiceMaster Company*, 2012 TMOB 59 at para 47]. Further, there are no circumstances in this case, that would support a finding that the existence of this prior registration is a relevant surrounding circumstance [*Caesarstone Sdot-Yam Ltd v Ceramiche Caesar S.P.A* 2016 FC 895 at paras 50-56]. Specifically, I do not find that the Mark is very similar to the Applicant's previously registered trade-mark, nor that the Goods and Services are a natural extension of those in the prior registration as in *Caesartstone, supra*.

Conclusion

[23] Section 6(2) of the Act does not concern confusion of the marks themselves, but confusion of goods and services from one source as being from another source. The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the Mark in association with the Goods and Services at a time when he or she has no more than an imperfect recollection of either of the Opponent's NXT trade-marks registered for optical goods, and does not pause to give the matter any detailed consideration or scrutiny [*Veuve Clicquot Ponsardin v Boutiques Clicquot Ltée* 2006 SCC 23 at para 20]. In view of my findings

above, in particular the differences between the parties' trade-marks and the goods and services of each party, such a consumer would not, as a matter of first impression, be likely to believe that the Goods and Services associated with the Mark were manufactured, sold, licensed or performed by the Opponent. While the Mark and each of the Opponent's NXT Design trade-marks may be identical as sounded, I find that when the parties' marks are considered as a whole, this shifts the balance of probabilities in favour of the Applicant. I therefore reject the section 12(1)(d) ground of opposition.

Opponent Does Not Meet Its Burden with Respect to Any of the Remaining Grounds of Opposition

Section 30(d) Ground of Opposition

[24] This ground of opposition alleges that the application does not comply with section 30(d) of the Act because the application did not contain all of the information required by this section. Section 30(d) of the Act requires that for applications based on use and registration abroad that the particulars of the application or registration on which an applicant bases its right to registration, along with, if the trade-mark has not been used or made known in Canada, the name of the country in which the trade-mark has been used by the applicant be provided. In this case, the application as filed sets out that the Mark has been duly registered in the United Kingdom under No. 2453621 and that the Mark has been used by the Applicant in the United Kingdom.

[25] The Opponent has not met its initial evidential burden with respect to the ground of opposition under section 30(d) because there is no evidence supporting its claim that the Applicant failed to provide the information required under this section or that the information provided was not true. Accordingly, the section 30(d) ground of opposition is rejected.

Section 30(e) Grounds of Opposition

[26] The opponent pleads three separate grounds of opposition all concerning section 30(e) of the Act: that the Applicant did not intend to use the Mark in association with all of the Goods and Services; that the Applicant had used the Mark in Canada in association with some or all of the Goods or Services; and that the Applicant intended to use a different Mark in association with some or all of the Goods and Services. There is no evidence that supports any of these

allegations. Consequently, these grounds of opposition are rejected on the basis that the Opponent has not satisfied its initial burden.

Section 30(i) Ground of Opposition

[27] The section 30(i) ground of opposition is set out below:

... The Opponent further bases the opposition on the grounds ... provided by Section 38(2)(a) and Subsection 30(i). By reason of the use, advertisement and reputation attaching to the Opponent's Marks, and to the opposition proceedings involving the parties marks in other jurisdictions, the Applicant knew, is deemed to have known or should have known of the rights and reputation attaching to the Opponent's Marks in Canada. The Applicant could not have been satisfied that it is or was entitled to use the advertised trade-mark in Canada in association with the wares and/or services covered by the Applicant's Application in view of the Applicant's prior knowledge of the Opponent's rights in the Opponent's Marks in other jurisdictions, the Applicant's prior knowledge and/or deemed knowledge of the Opponent's Registrations (in Canada), the use of the trade-marks that are the subject of the Opponent's Registrations in Canada and sections 7, 20, and 22 of the *Act*.

[28] Where an applicant has provided the statement required by section 30(i), this ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [*Sapodilla Co v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. As the application includes the required statement and there is no allegation or evidence of bad faith or other exceptional circumstances, this part of the section 30(i) ground is rejected.

[29] The section 30(i) ground of opposition further alleges that the Applicant could not have been satisfied it is or was entitled to use the Mark in Canada in association with the Goods and Services given the Opponent's Registrations in Canada and sections 7, 20, and 22 of the *Act*. Even though it is far from certain that the combination of section 30(i) with any of sections 7(b), 20 and 22 of the *Act* constitutes a valid ground of opposition [see *Euromed Restaurant Limited v Trilogy Properties Corporation*, 2012 TMOB 19 at para 13 citing *Parmalat Canada Inc. v Sysco Corp.* (2008), 69 CPR (4th) 349 (FC) at paras. 38-42], the Opponent has not met its initial burden with respect to its allegation that the Applicant could not be satisfied it was entitled to use the Mark in view of these sections of the *Act*. Specifically:

- a. The Opponent has failed to adduce any evidence in support of the elements required to show a violation of section 7(b) of the Act: (i) the existence of goodwill, (ii) deception of the public due to a misrepresentation and (iii) actual or potential damage to the offended party [see *Ciba-Geigy Canada Ltd. v Apotex Inc.*, [1992] 3 SCR 120 at para 33 cited by *Pharmacommunications Holdings Inc. v Avencia International Inc.*, 2008 FC 828 at para 41].
- b. Section 20 requires a finding of confusion; however, I have found that the Mark is not confusing with one or both of the Opponent's Registrations.
- c. The Opponent has failed to adduce any evidence of a depreciation of goodwill of one or both of the Opponent's Registrations as required to show a violation of section 22 of the Act [*Veuve Clicquot Ponsardin v Boutiques Clicquot Ltée*, supra at paras 46 and 63 to 68].

Grounds of Opposition Based on Non-Entitlement

[30] The grounds of opposition alleging that the Applicant is not the person entitled to registration of the Mark under sections 16(2)(a) or 16(3)(a) of the Act are rejected for the Opponent's failure to meet its initial evidential burden. More particularly, it has failed to show use of any of the Opponent's NXT Design trade-marks in Canada, within the meaning of section 4 of the Act, before January 20, 2010.

Grounds of Opposition Based on Non-Distinctiveness

[31] The ground of opposition alleging that the Mark is not distinctive under section 2 of the Act is rejected for the Opponent's failure to meet its initial evidential burden. More particularly, it has failed to show that any of the Opponent's NXT Design trade-marks had become known in Canada as of September 10, 2013 so as to negate the distinctiveness of the Mark [*Bojangles' International LLC v Bojangles Café Ltd*, 2006 FC 657, 48 CPR (4th) 427].

Disposition

[32] Pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(8) of the Act.

Natalie de Paulsen
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

No Hearing Held

AGENTS OF RECORD

BORDEN LADNER GERVAIS LLP

For the Opponent

MARKS & CLERK

For the Applicant