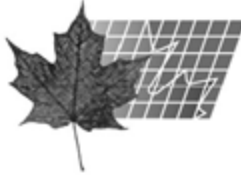


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LE REGISTRAIRE DES MARQUES DE COMMERCE  
THE REGISTRAR OF TRADEMARKS

**Citation: 2019 TMOB 148**

**Date of Decision: 2019-12-31**

**IN THE MATTER OF AN OPPOSITION**

**McGregor Industries Inc.**

**Opponent**

**And**

**COMERCIAL LOSAN, S.L.U.**

**Applicant**

**1,775,271 for LOSAN HAPPY  
FASHION Design**

**Application**

INTRODUCTION

[1] COMERCIAL LOSAN, S.L.U. has filed an application to register the trademark LOSAN HAPPY FASHION Design. The application covers a variety of ready-made clothing including casual clothing, dress clothing and athletic clothing, along with footwear and headgear.

[2] McGregor Industries Inc. is the owner of numerous registrations for trademarks consisting of or including HAPPY and HAPPY FOOT. It is well-known in Canada for its HAPPY FOOT brand socks which have been sold across Canada for decades. It has opposed this application on the basis of its use and registrations which cover hosiery and socks.

[3] The opposition succeeds with respect to all of the applied-for goods with the exception of headgear namely hats, caps, sun visors as COMERCIAL LOSAN, S.L.U. has failed to prove that there is not a reasonable likelihood of confusion. It has failed to cross-examine, file any evidence

or make submissions to refute any of McGregor Industries Inc.'s evidence or allegations. While there may not be a high degree of similarity between the parties' marks, when all of the relevant surrounding circumstances discussed below are taken into account, I find that COMERCIAL LOSAN, S.L.U. has failed to meet the legal onus upon it to show that there is no reasonable likelihood of confusion between the parties' marks with respect to the applied-for clothing and footwear goods which may include socks and hosiery.

#### FILE RECORD

[4] On April 1, 2016, COMERCIAL LOSAN, S.L.U. (the Applicant) filed an application to register the trademark LOSAN HAPPY FASHION Design (the Mark) set out below:

The logo for LOSAN happy fashion. The word "LOSAN" is written in a bold, sans-serif font. Below it, the words "happy fashion" are written in a smaller, lowercase, cursive script font.

Colour is claimed as a feature of the trademark. The letters of the term LOSAN are as follow: L (red), O (green), S (orange), A (light blue), N (fuchsia). The term HAPPY is, from left to right, different shades of blue (from light blue to darker blue) and the term FASHION is, from left to right, different shades of green (from light green to darker green).

[5] The application is based on the Applicant's use of the Mark in Spain and registration of the Mark in the European Union in association with the Goods:

Ready-made clothing for women, men and children namely athletic clothing, business clothing, casual clothing, rain clothing, infant and children's clothing, dress clothing, sports clothing; footwear, excluding orthopedic footwear, namely casual footwear, children's footwear, exercise footwear, rain footwear, sports footwear; headgear namely hats, caps, sun visors




[6] The application was advertised for opposition in the *Trademarks Journal* dated January 11, 2017 and was opposed by McGregor Industries Inc. (the Opponent) on June 9, 2017 pursuant to section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). The Applicant responded by filing and serving a counter statement. The Opponent's evidence consists of the affidavit of Earl Lipson. The Applicant did not file any evidence. Only the Opponent filed a written argument. Neither party requested an oral hearing.

STATEMENT OF OPPOSITION

[7] The statement of opposition raises the following grounds of opposition under section 38 of the Act. All references in the decision are to the Act as amended on June 17, 2019, with the exception of references to the grounds of opposition which refer to the Act as it read before it was amended (see section 70 of the Act which provides that section 38(2) of the Act as it read prior to June 17, 2019 applies to applications advertised before this date).

- (a) The application does not conform to the requirements of section 30(a) of the Act. The statement of goods includes goods described as ready-made clothing for women, men and children namely athletic clothing, business clothing, casual clothing, rain clothing, infant and children's clothing, dress clothing, sports clothing; footwear, excluding orthopedic footwear, namely casual footwear, children's footwear, exercise footwear, rain footwear, sports footwear; the descriptions encompass innumerable goods and do not constitute statements which describe limited categories of clothing. The statement of goods is therefore not a statement in ordinary commercial terms of the specific goods as required by section 30(a) of the Act.
- (b) Pursuant to section 12(1)(d) of the Act, the Mark is not registrable because it is confusing with one or more of the Opponent's registered trademarks:

<b>Trademark Registration No.</b>	<b>Goods</b>
HAPPY FOOT UCA018614	Knitted footwear
HAPPY TMA131,953	Knitted hosiery

<p><b>Happyfoot</b> TMA219,501</p>	<p>Hosiery</p>
<p>McGregor <b>Happy Foot</b> </p> <p>TMA773,396</p>	<p>Clothing, namely: legwear, namely hosiery and socks. Clothing, namely: legwear, namely leggings, tights.</p>
<p>THE HAPPYFOOT SOCK COMPANY</p> <p>TMA857,681</p>	<p>Clothing, namely: socks.</p>
<p><b>happy</b> <b>foot</b> </p> <p>TMA936,758</p>	<p>Clothing, namely: legwear, namely hosiery; socks; trouser socks.</p>
<p><b>happy</b> <b>foot</b> </p> <p>TMA953,519</p>	<p>Clothing, namely: legwear, namely hosiery and socks. Colour is claimed as a feature of the trade-mark. Colour is claimed as a feature of the trade-mark. The word HAPPY is in light blue, the word FOOT is in dark blue, the large dots in the foot image are randomly coloured red, green, dark blue, navy, mauve, orange, yellow and gray, the small dots in the toe portion of the foot image are randomly coloured dark blue and navy and the small dots in the sole portion of the foot image are navy.</p>
<p><b>happy</b> <b>foot</b></p> <p>TMA936,754</p>	<p>Clothing, namely: legwear, namely hosiery; socks; trouser socks.</p>

(c) Pursuant to section 16(2)(a) of the Act, at the filing date of April 1, 2016, the Applicant was not entitled to register the Mark because it was confusing with

one or more of the Opponent's trademarks HAPPY FOOT, HAPPYFOOT, HAPPY, MCGREGOR HAPPY FOOT, and THE HAPPYFOOT SOCK COMPANY (the "HAPPY FOOT Marks"), previously used in Canada, by the Opponent and its predecessors in connection with clothing including without limitation legwear and footwear such as socks, tights and other hosiery.

- (d) Pursuant to section 16(2)(c) of the Act, at the filing date of April 1, 2016, the Applicant was not entitled to register the Mark because it was confusing with the Opponent's trade name THE HAPPYFOOT SOCK COMPANY previously used by the Opponent in Canada in connection with a business relating to the manufacture and sale of clothing including legwear and footwear such as socks, tights and others hosiery.
- (e) Pursuant to section 2 of the Act, the Mark does not actually distinguish, and is not adapted to distinguish, the Goods of the Applicant from the goods and services of others – namely the clothing goods of the Opponent when sold or offered for sale under one of more of its trademarks or as part of a business operating under the Opponent's trade name.

#### OPPONENT'S EVIDENCE

##### **Affidavit of Earl Lipson**

[8] Mr. Lipson is the CEO of the Opponent (para 1). His evidence is:

- (a) The Opponent or its predecessors have been manufacturing and selling socks to retailers for resale since 1937 in association with the trademark HAPPY FOOT which appears on labels which are affixed to the socks at the time of sale, representative examples of packaging and socks sold from the 1950s-2017 are shown in Exhibits B1-B6 (paras 4-5). The Opponent from 2015 onwards has used the trademark HAPPY on labels for socks (Exhibit B-7).
- (b) Since 2009, the HAPPY FOOT trademark has also been affixed to specialty products, including children's socks and tights, sold pursuant to a license under

which the Opponent exercises and maintains full and direct control over the character, quality, packaging, promotion and sale of these goods (para 6, Exhibits C1-C2).

- (c) The Opponent's HAPPY FOOT socks are sold in national department stores including Hudson's Bay and Sears Canada; in major national chain stores including Walmart and Canadian Tire; and in hundreds of independent retail stores (para 7).
- (d) Since 1970 over a million pairs of socks have been sold annually in Canada representing millions of dollars in annual retail sales (para 8).
- (e) Since 1979 "many tens of thousands of dollars have been spent annually" in advertising and promoting socks under the trademark HAPPY FOOT in national advertising campaigns; in cooperative advertising (para 9); and in point-of-sale displays (para 10), examples of which are shown in Exhibits D-E2.

#### LEGAL ONUS AND EVIDENTIAL BURDEN

[9] The Applicant bears the legal onus of establishing that, on a balance of probabilities, its application complies with the requirements of the Act. There is, however, 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 [*John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD)].

#### SECTION 30 GROUND OF OPPOSITION

[10] The Opponent alleges that the application does not comply with section 30(a) of the Act.

[11] The material date for considering a ground of opposition based upon non-compliance with section 30 of the Act is the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB)]. It is, however, the statement of goods as amended

which is assessed [*Eaton Williams (Millibank) Ltd v Nortec Air Conditioning Industries Ltd* (1982), 73 CPR (2d) 70 (TMOB)].

[12] There are two issues to be determined under a section 30(a) ground of opposition, namely, whether the statement of goods is in ordinary commercial terms and whether it adequately identifies the specific goods [*Whirlpool SA v Eurotherm Holdings Limited*, 2010 TMOB 171 at para 39]. Further, an opponent's initial evidential burden under section 30(a) is a light one [*McDonald's Corp v MA Comacho-Saldana International Trading Ltd* (1984), 1 CPR (3d) 101 (TMOB) at 104]. Mr. Lipson provides the following in his affidavit:

- 15 ... I have extensive experience in the clothing field. Phrases such as “business clothing” and “casual clothing” ... do not by themselves sufficiently define, in ordinary commercial terms, particular specific clothing. For example, such phrases by themselves do not sufficiently define whether the proposed registration would expressly encompass socks, hosiery and other legwear, such as leotards, leg warmers, stockings, panty hose, tights and the like, in one or more of the stated broad categories “business clothing”, “casual clothing” etc. The bottom line is that, because the goods are not defined in ordinary commercial terms, it is not possible for anyone (including myself) to know with certainty whether particular clothing items – again, such as socks, hosiery, leotards, leg warmers, stockings, panty hose, tights or other legwear – would or would not be covered by the application and any resulting registration.
- 16 Similarly, phrases such as “casual footwear”, “children’s footwear”, “exercise footwear” ... do not themselves sufficiently define, in ordinary commercial terms, particular specific footwear. For example, such phrases by themselves do not sufficiently define whether the proposed registration would expressly encompass certain types of socks ..., hosiery and other legwear, such as leotards, leg warmers, knitted slippers or other knitted footwear...

[13] The Opponent does not meet its evidential burden with respect to the any of the Goods. I have referred myself to the Goods and Services Manual of the Canadian Intellectual Property Office (the Manual) [*Royal Scenic Holidays Ltd v Scenic Holidays (Vancouver) Ltd*, 2010 TMOB 36]. The Manual contains a representative listing of acceptable goods in ordinary commercial terms which include the following: athletic clothing, casual clothing, business clothing, casual footwear, children’s footwear, exercise footwear, and rain footwear all added to the Manual in 2009. The descriptions in the Goods are sufficiently specific because the function

of the goods (whether for casual, business, or exercise wear) is provided even if the specific clothing items at issue are not. Accordingly, I reject the ground of opposition for the Opponent's failure to meet its evidential burden.

#### GROUND OF OPPOSITION BASED ON CONFUSION

#### **Material Dates for Grounds of Opposition Based on Confusion with the Opponent's Trademarks**

[14] I consider the Opponent's best chance of success to be with respect to its allegations of confusion between the Mark and its use and registration of the trademarks HAPPY and HAPPY FOOT. The determinative issue raised by the statement of opposition is therefore whether the Mark is confusing with the Opponent's trademarks HAPPY FOOT or HAPPY used in association with socks and registered in association with knitted footwear or hosiery. The material dates to assess the issue of confusion are the date of my decision with respect to the section 12(1)(d) ground of opposition; the date of filing, that is, April 1, 2016, with respect to the entitlement grounds (section 16(2)); and the date of opposition, that is, June 9, 2017, with respect to the fourth ground: for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v. Canadian Retired Persons* (1998), 84 CPR(3d) 198 at 206 - 209 (FCTD).

#### **The Opponent Meets its Evidential Burden**

[15] The Opponent has met its evidential burden with respect to each of the grounds of opposition based on confusion as detailed below.

- (a) **Section 12(1)(d)** - I have exercised the Registrar's discretion to confirm that each of the Opponent's registrations is in good standing as of today's date.
- (b) **Section 16(2)(a)** - In order to satisfy its evidential burden, the Opponent must show that as of the filing date of the application, that one or more of its pleaded trademarks had been used in Canada and had not been abandoned as of its date of advertisement [section 16(5) of the Act]. The Opponent has met its burden with respect to the trademark HAPPY FOOT and HAPPY as far as the goods socks are concerned (para 8; Exhibits B1-C2).



- (c) **Distinctiveness** - In order to satisfy its evidential burden, the Opponent must establish that as of June 9, 2017, the date of filing the statement of opposition that at least one of its HAPPY FOOT trademarks or its HAPPY FOOT trade name were known to such an extent that they could negate the distinctiveness of the Mark [*Bojangles' International LLC v Bojangles Café Ltd* 2006 FC 657 at para 33]. The Opponent's evidence that its socks featuring the HAPPY FOOT trademark prominently are sold in hundreds of stores across Canada and that at least a million pairs of socks have been sold per year since around 1970 (paras 7-8; Exhibits B1-C2) is more than sufficient to meet the Opponent's burden.

### **Meaning of Confusion between Trademarks**

[16] Trademarks are confusing when there is a reasonable likelihood of confusion within the meaning of section 6(2) of the Act:

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

[17] Thus, section 6(2) does not concern mistaking one mark for the other, 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 Goods, sold under the trademark LOSAN HAPPY FASHION Design, would believe that those goods were produced or authorized or licensed by the Opponent who sells its goods under the HAPPY and HAPPY FOOT trademarks.

### **Test for Confusion**

[17] 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 sections 6(5)(a) to 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 goods, 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 Trademarks* (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 section 6(5), it is the statutory factor that is often likely to have the greatest effect in deciding the issue of confusion.

### **Consideration of the Section 6(5) Factors**

#### First and Second Factors - inherent and acquired distinctiveness; length of time in use

[18] The Opponent's trademarks HAPPY and HAPPY FOOT possess a fair degree of inherent distinctiveness as these marks have no literal meaning although they do suggest that the socks will make the wearers feet feel good. As the second component FOOT has a connection to the Opponent's goods, the component HAPPY contributes more to the inherent distinctiveness of the Mark than does the component FOOT.

[19] The trademark LOSAN HAPPY FASHION Design possesses a greater degree of inherent distinctiveness as LOSAN has no dictionary definition and there is no evidence of surname or geographic significance which would diminish its distinctiveness. The HAPPY component also contributes some degree of distinctiveness to the Mark as it is not descriptive of the Goods. In contrast, the word FASHION does not contribute to the inherent distinctiveness of the Mark as it is descriptive of the Goods.

[20] Based on the sales of millions of pairs of the Opponent's socks in hundreds of stores across Canada, I find that the Opponent's HAPPY FOOT trademark has become known to a significant extent in Canada in association with socks. Further, the Opponent has evidenced that it has sold HAPPY FOOT socks for decades and since 2015 its socks have included the trademark HAPPY on the cardboard wrapper they are sold in. In contrast, there is no evidence that use of the Mark has commenced in Canada.

### Third and Fourth Factors - the nature of the goods and trade

[21] When considering the nature of the goods and the nature of the trade, I must compare the Applicant's statement of goods with the statement of goods in the registrations referred to by the Opponent [*Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)]. However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. The evidence of the parties' actual trades is useful in this respect [*McDonald's Corp v Coffee Hut Stores Ltd* (1996), 68 CPR (3d) 168 (FCA); *Procter & Gamble Inc v Hunter Packaging Ltd* (1999), 2 CPR (4th) 266 (TMOB); *American Optional Corp v Alcon Pharmaceuticals Ltd* (2000), 5 CPR (4th) 110 (TMOB)].

[22] I agree with the Opponent that some of the Goods, namely footwear, excluding orthopedic footwear, namely casual footwear, children's footwear, exercise footwear, rain footwear, sports footwear; directly overlap or may be the same as the Opponent's goods. With respect to the remaining goods, the Opponent's goods fall into the categories of ready-made clothing for women, men and children namely athletic clothing, business clothing, casual clothing, infant and children's clothing, dress clothing, sports clothing and in the absence of evidence of the contrary or an exclusion in the application, these goods may include socks, hosiery and other legwear. With respect to the goods described as headgear namely hats, caps, sun visors, I do not find that there is a high degree of overlap as these goods are for an entirely different function than the Opponent's goods. With respect to the channels of trade, I would expect the parties' goods to pass through the same channels of trade at the retail level. The third and fourth factors therefore favour the Opponent with the exception of the goods described as headgear namely hats, caps, sun visors.

### Fifth Factor – degree of resemblance

[23] Although the trademarks HAPPY FOOT and the Mark share a degree of resemblance in appearance, sound and idea suggested due to the common component HAPPY, the first component LOSAN which is emphasized in size and colour in the Mark limits the degree of resemblance. I find that because of this component the trademarks are more different than alike.

### Surrounding Circumstance – the Opponent’s Trademarks as Used

[24] As an additional surrounding circumstance, I have considered that the Opponent has used the trademark HAPPY FOOT in a variety of design formats, some of which incorporate the trademark McGregor. This suggests that consumers are accustomed to seeing the registered mark HAPPY FOOT in various design formats, including ones with a company name. To a limited extent, I find that this increases the likelihood of consumers perceiving some connection between the marks at issue. Specifically, a consumer used to seeing HAPPY FOOT with a company name on socks and hosiery, upon seeing HAPPY FASHION with another company name on socks and hosiery, like in the Mark, may assume that it is the company name they have previously seen.

### **Conclusion on the Likelihood of Confusion**

[25] 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/or services at a time when he or she has no more than an imperfect recollection of the Opponent's trademark and does not pause to give the matter any detailed consideration or scrutiny [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 220 at para 20].

[26] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. Having considered all of the surrounding circumstances at each of the material dates, I find that the Applicant has failed to meet its legal onus of proving on a balance of probabilities that there is no reasonable likelihood of confusion between the Mark and the Opponent’s trademarks HAPPY FOOT and HAPPY, with respect to all of the goods except for headgear namely hats, caps, sun visors. Accordingly, the grounds of opposition based on sections 12(1)(d) and 16(2)(c) of the Act and the Opponent’s trademarks HAPPY FOOT and HAPPY succeed with respect to all of the goods except for headgear namely hats, caps, sun visors. I reach the same conclusion with respect to the section 2 ground of opposition with respect to the trademark HAPPY FOOT which is featured more prominently on the Opponent’s goods.

[27] I find that the Applicant has not proven that there is no reasonable likelihood of confusion with the clothing and footwear goods on the basis that the Opponent's (i) trademark HAPPY FOOT is well known and has been used for decades in Canada and (ii) since 2015 it has used the HAPPY trademark. Further, there may be direct overlap or a close relationship between the goods of the Opponent and the potential goods of the Applicant which may include socks. Finally, there is no evidence to suggest that the Mark or any other HAPPY marks, aside from those of the Opponent, are used in association with clothing or footwear. My conclusion may have been different had the application expressly excluded hosiery and socks from the statement of goods or had the Applicant filed evidence in support of its case.

#### REMAINING GROUND OF OPPOSITION

[28] Having already refused the application under three grounds with respect to the majority of the goods, I will not discuss the section 16(2)(c) ground of opposition with respect to this application.

#### DISPOSITION

[29] In view of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition with respect to headgear namely hats, caps, sun visors and I refuse application No. 1,775,271 with respect to the remaining goods pursuant to section 38(12) of the Act.

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Natalie de Paulsen  
Member  
Trademarks Opposition Board  
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD  
CANADIAN INTELLECTUAL PROPERTY OFFICE  
APPEARANCES AND AGENTS OF RECORD**

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No Hearing Held

**AGENTS OF RECORD**

FARFAN LAW

FOR THE OPPONENT

LAVERY, DE BILLY, LLP

FOR THE APPLICANT