



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2020 TMOB 42

Date of Decision: 2020-05-01

IN THE MATTER OF AN OPPOSITION

Vella Shoes Canada Ltd.

Opponent

and

Joia Calçado, S.A.

Applicant

**1,703,884 for CLOUD FOOTWEAR &
Design**

Application

INTRODUCTION

[1] On November 21, 2014, Joia Calçado, S.A. (the Applicant) filed application No. 1,703,884 (the Application) to register the trademark CLOUD FOOTWEAR & Design, depicted below (the Mark).



[2] The Application is in association with “Footwear, namely, shoes, boots, sneakers, sandals, slippers” (the Goods), and is based on (1) use of the Mark in Canada since at least as early as January 22, 2013, and (2) use and registration of the Mark in Portugal.

[3] The Application was advertised for opposition purposes in the *Trademarks Journal* on August 26, 2015. On January 26, 2016, Vella Shoes Canada Ltd. (the Opponent) filed a statement of opposition against the Application pursuant to section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). I note that the Act was amended on June 17, 2019. All references in this decision are to the Act as amended, 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 prior to that date).

[4] The grounds of opposition are summarized below:

- The Application does not conform to the requirements of section 30 of the Act, in that (1) the Applicant has not used the Mark in Canada in association with the Goods since the alleged date of first use, if at all, (2) the Applicant has not used the Mark as a trademark within the meaning of section 4 of the Act, if at all, and (3) the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the Goods as the Applicant was aware or ought to have been aware of the Opponent’s prior use of the trademark WALKING ON A CLOUD.
- The Mark is not registrable pursuant to section 12(1)(d) as it is confusing with the Opponent’s registered trademark WALKING ON A CLOUD (TMA388,241).
- The Applicant is not the person entitled to registration of the Mark under section 16(1)(a) and section 16(2)(a) because the Mark was confusing with the Opponent’s trademark WALKING ON A CLOUD previously used in Canada.
- The Mark is not distinctive in Canada of the Applicant’s Goods, pursuant to section 2, having regard to the Opponent’s prior use and advertisement of its trademark WALKING ON A CLOUD.

[5] On March 17, 2016, the Applicant filed a counter statement denying the grounds of opposition.

[6] Both parties filed evidence, which is discussed below. Only the Applicant filed a written argument. An oral hearing was held in which both parties were represented.

EVIDENCE

[7] The Opponent's evidence is comprised of a certified copy of registration No. TMA388,241 and the affidavit of Paul Joseph Vella sworn July 18, 2016 (the Vella Affidavit). Mr. Vella is the President and Director of the Opponent. Mr. Vella attests to, *inter alia*, the following facts regarding the Opponent:

- The Opponent is a Canadian footwear retailer. In 1959, the Opponent opened its first shoe store in Toronto, Ontario under the name "Vella Shoes".
- Mr. Vella states that, "[i]n 1994 I purchased the store Walking On A Cloud from Bata Industries Ltd. in Burlington Ontario." Mr. Vella indicates that the Opponent owns the domain names <walkingonacloud.ca> (registered on May 15, 2006) and <walkingonacloud.com> (registered on April 15, 1999). The particulars of these domain registrations are attached as Exhibit "A".
- Mr. Vella states that, "[i]n 1993, Bata Industries Ltd. assigned all trademark rights and goodwill of Registration No. TMA388,241, WALKING ON A CLOUD, to the Opponent." A copy of the particulars of registration No. TMA388,241 are attached as Exhibit "B".
- Mr. Vella states that "the Opponent currently has 42 Walking On A Cloud locations and 2 Walking On A Cloud outlet stores." Photographs of the storefronts of four such retail locations are included as Exhibit "F". Each storefront depicted in Exhibit "F" has signage bearing the trademark WALKING ON A CLOUD.
- Exhibit "D" to the Vella Affidavit is a photograph of what Mr. Vella describes as the Opponent's "reusable shopping bag in which the Opponents [*sic*] goods are placed when

purchased.” The shopping bag displays the trademark WALKING ON A CLOUD. Mr. Vella states that “[a]pproximately 1,000 recycled bags are sold per month.” Mr. Vella further describes that “[t]he Opponent also used plastic bags depicting the trademark WALKING ON A CLOUD. Approximately 520,000 plastic bags a year are used.”

- The Vella Affidavit includes as Exhibit “C” cover pages of the Opponent’s catalogues from 2014, 2015 and 2016, which Mr. Vella indicates were distributed by mail, newspapers, social media and e-mail. The cover pages of the catalogues bear the trademark WALKING ON A CLOUD.
- The Vella Affidavit includes as Exhibit “E” an advertisement that appeared in “ON the GO” magazine in December 2014 which was distributed in Toronto. The advertisement is for WALKING ON A CLOUD shoe stores and includes descriptions for various shoe brands available in those stores, including BLUNDSTONE, SOREL and HUNTER.
- Exhibits “G” and “H” to the Vella Affidavit are printouts which Mr. Vella describes as being from the Applicant’s website at *cloud-footwear.com* that were located by Mr. Vella by way of an online search. Mr. Vella states that, “[a]ccording to the Applicant’s website, *cloud-footwear.com*, the Applicant ships worldwide with the exception of the United States and Canada.” The Vella Affidavit also includes as Exhibit “I” a document which Mr. Vella describes as, “a screen shot taken from the Wayback Machine from March 19, 2016 which states that the Applicant only ships to Continental Europe.”

[8] The Applicant’s evidence is comprised of the affidavit of Ricardo Monteiro, sworn November 28, 2016 (the Monteiro Affidavit). Mr. Monteiro is the Commercial Assistant of the Applicant. Mr. Monteiro attests to, *inter alia*, the following facts regarding the Applicant:

- The Applicant was established in 1973 in Portugal, and its business is manufacturing, distributing and selling footwear.
- Mr. Monteiro describes the Applicant’s footwear (namely, shoes, boots, sneakers, sandals, slippers) as the “CLOUD Footwear” and states that the CLOUD Footwear was established in 2012 in Portugal. Mr. Monteiro states that the CLOUD Footwear is

manufactured in the Applicant's factory in Portugal and is packaged, labelled and shipped directly from the Applicant's factory to its distributors.

- Mr. Monteiro states that since the introduction of the CLOUD Footwear in 2012, it has been promoted, advertised, distributed and sold under the Applicant's CLOUD Footwear & Design trademark (i.e. the Mark in issue in this proceeding). Mr. Monteiro states that "[t]he CLOUD Footwear was introduced into Canada by way of promotion, advertising and sales since at least as early as January 22, 2013."
- Mr. Monteiro indicates that the Applicant is the owner of registrations for the Mark in approximately 30 countries, and includes as Exhibit "A" the particulars of some of those registrations.
- Mr. Monteiro states that "[s]ince January 22, 2013, my Company has been selling its CLOUD Footwear in Canada through select distributors". A list of five such Canadian distributors is included in the Monteiro Affidavit, along with their business addresses.
- Mr. Monteiro describes that the Mark is displayed on the websites of some of its Canadian distributors, including Sole Mio Footwear Inc., and that in some cases consumers can purchase the CLOUD Footwear directly from those distributor websites bearing the Mark. Examples of the Applicant's Canadian distributors' websites displaying the Mark are included as Exhibits "B" and "C".
- Mr. Monteiro states that "My company packages and labels all of its CLOUD Footwear in its factory in Portugal then ships said packaged and labelled products directly to its distributors including those distributed in Canada." Included as Exhibit "D" to the Monteiro Affidavit are photographs of the packaging (specifically, shoe boxes) for the CLOUD Footwear. Mr. Monteiro states that "Exhibit 'D' is representative of the CLOUD Footwear packaging which has been shipped to Canada since January 22, 2013." I note that the shoe boxes depicted in Exhibit "D" display the words "CLOUD FOOTWEAR" but do not display the stylized cloud design that is part of the Mark in issue in the Application.

- Included as Exhibit “E” to the Monteiro Affidavit is what Mr. Monteiro describes as “a CLOUD Footwear product label showing a shipment to our Canadian distributor, Sole Mio Footwear Inc.” Paragraph 9 of the Monteiro Affidavit suggests that the label included as Exhibit “E” corresponds to a sale by the Applicant to Sole Mio Footwear Inc. in 2015. This label displays the Mark in issue, including the stylized cloud design, in the upper left corner. Mr. Monteiro states that “[t]his label is typical of the type of labels which have, since January 22, 2013, continuously been included with CLOUD Footwear sold at the time of sale and shipped to our Canadian distributors.” Further, at paragraph 12 of his affidavit, Mr. Monteiro states, “[a]t all times, labels and packaging as demonstrated in Exhibits ‘D’ and ‘E’ accompanied the products at the time of sale and shipment to the Canadian distributor.”
- Included as Exhibit “F” is a document that Mr. Monteiro describes as a “spring-summer 2017 Look Book” (a type of catalogue) which Mr. Monteiro indicates can be used by distributors to order and purchase CLOUD Footwear. The Look Book included as Exhibit “F” prominently bears the Mark. Mr. Monteiro states that “Exhibit ‘F’ is a typical representation of the Look Books that have been distributed to our Canadian distributors since the first sale on January 22, 2013.”
- The Monteiro Affidavit also includes the Applicant’s annual sales figures and advertising expenditures for the years 2013 to 2016 for the CLOUD Footwear products sold in Canada, as well as sales reports (Exhibit “H”) and representative invoices (Exhibits “I” and “J”).
- Included as Exhibit “K” to the Monteiro Affidavit are advertising displays bearing the Mark which Mr. Monteiro indicates are displayed in Canadian distributors’ stores in close proximity to the CLOUD Footwear inventory. No date(s) for the display of these items is provided.

[9] Neither Mr. Vella nor Mr. Monteiro were cross-examined on their respective affidavits. The Opponent did not file reply evidence.

ONUS AND MATERIAL DATES

[10] The Applicant bears the legal onus of establishing, on a balance of probabilities, that the Application complies with the requirements of the Act. This means that if a determinate conclusion cannot be reached in favour of the Applicant after a consideration of all of the evidence, then the issue must be decided against the Applicant. 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].

[11] The material dates with respect to the grounds of opposition are as follows:

- Sections 38(2)(a)/30 of the Act - the filing date of the Application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- Sections 38(2)(b)/12(1)(d) of the Act - the date of my decision [*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(1)(a) of the Act – the date of first use of the Applicant’s Mark;
- Sections 38(2)(c)/16(2)(a) of the Act – the filing date of the Application; and
- Sections 38(2)(d) of the Act - the filing date of the opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185, 34 CPR (4th) 317 (FC)].

ANALYSIS OF THE GROUNDS OF OPPOSITION

Preliminary Issues

Status of the Opponent's registration No. TMA388,241

[12] Registration No. TMA388,241 for the trademark WALKING ON A CLOUD, on which the Opponent relies in this proceeding, as of the date of this decision is registered in association with the following goods and services:

Goods: All types of footwear, namely boots, shoes and slippers.

Services: Operation of retail stores selling footwear and clothing and related accessories.

[13] I note that registration No. TMA388,241 is also the subject of a parallel proceeding under section 45 of the Act, initiated by the Applicant, seeking to cancel that registration for lack of use. In the section 45 proceeding, by decision of the Registrar dated January 29, 2020, the Registrar concluded that the registration should be amended to include only the following services: "Operation of retail stores selling footwear and related accessories."

[14] That January 29, 2020 decision of the Registrar in the section 45 proceeding is currently under appeal in the Federal Court (the Notice of Application having been filed on April 2, 2020) and thus has not taken effect. Consequently, for the purposes of this opposition proceeding, I consider the Opponent's registration No. TMA388,241 as it currently stands in association with the full complement of goods and services, rather than the amended version set out in the Registrar's January 29, 2020 decision.

The Opponent has not plead a section 30(d) ground of opposition

[15] An opponent cannot rely on a ground of opposition which it has not pleaded [see *Imperial Developments Ltd v Imperial Oil Ltd* (1984), 79 CPR (2d) 12 (FCTD)].

[16] In the present case, the Application includes two bases for registration: (1) use of the Mark in Canada since at least as early as January 22, 2013, and (2) use and registration of the Mark in Portugal.

[17] The statement of opposition filed by the Opponent raises grounds of opposition under section 30 of the Act, but notably does not specify the subsections of section 30 on which the Opponent relies. Reading the statement of opposition as a whole, I am prepared to accept that the Opponent has sufficiently raised a ground of opposition under section 30(b) of the Act, given the manner in which the section 30 ground of opposition is pleaded at paragraphs 1(a)(i) and (ii) of the statement of opposition. For example, paragraph 1(a)(i) specifically alleges that “the Applicant has not used the alleged trademark in Canada in association with the goods [...] since the alleged date of first use, if at all”. I consider paragraph 1(a)(ii) of the statement of opposition, wherein the Opponent alleges that the Applicant has not used the Mark as a trademark within the meaning of section 4 of the Act, to be an additional allegation as to why the Application does not comply with section 30(b) of the Act. Also, it is apparent that part of the Opponent’s evidence-in-chief is directed towards contesting whether the Applicant has in fact used the Mark in Canada (see paras. 12 and 13 and Exhibits “G” through “I” of the Vella Affidavit, discussed in further detail, below). Thus, I accept that the Opponent has sufficiently plead a section 30(b) ground of opposition, and the merits of that ground are assessed in the next section of this decision. I am similarly satisfied that the Opponent has plead a section 30(i) ground of opposition by way of paragraphs 1(a)(iii) and (iv) of the statement of opposition, given the manner in which those paragraphs replicate the language of section 30(i) of the Act.

[18] However, in my view, it is not possible to read the Opponent’s statement of opposition as including a ground of opposition under section 30(d) of the Act challenging the Applicant’s use and registration of the Mark in Portugal as of the filing date of the Application. Section 30(d) is not mentioned in the statement of opposition and there is no reference whatsoever to use or registration of the Mark (or lack thereof) in Portugal. Further, the Opponent did not file any evidence to support a section 30(d) ground of opposition. (I also note that since the Opponent did not file a written argument in this proceeding, there was no indication at any stage that it was seeking to rely on section 30(d)). In my view, the Opponent has not plead a section 30(d) ground of opposition, and there was no reason for the Applicant to think that a section 30(d) ground had been raised.

[19] I am reinforced in that view by the oral hearing, where counsel for the Opponent made extensive and able submissions regarding the section 30(b) ground of opposition, arguing that it

could succeed in the opposition on that basis alone. However, when I inquired as to the Opponent's position regarding the foreign use and registration claim in the Application, it was apparent that the Opponent (at least at the time of the hearing) was not alive to the presence of that claim in the Application. As a consequence, following the oral hearing, by letter to the Registrar dated January 27, 2020, the Opponent filed written submissions arguing that the statement of opposition should be read to include a section 30(d) ground of opposition. The Applicant responded by letter dated January 28, 2020. For the reasons set out above, I reject the Opponent's position, and find that its statement of opposition does not raise a ground of opposition under section 30(d) of the Act.

[20] In any event, even if I had accepted the Opponent's argument that the statement of opposition includes a section 30(d) ground of opposition, I would have dismissed that ground of opposition as the Opponent has not met its initial evidential burden. In particular, the Opponent did not file any evidence to support that ground, and there is no evidence filed by the Applicant on which the Opponent could rely to suggest that the Applicant had not used or registered the Mark in Portugal as of the material date. Indeed, since the Opponent did not file any evidence in support of a section 30(d) ground as part of its evidence-in-chief, the Applicant was under no obligation to address in its evidence the use and registration of the Mark in Portugal.

[21] In sum, I find that the Opponent's statement of opposition does not raise a section 30(d) ground of opposition; however, if I am wrong on that point, I dismiss the section 30(d) ground of opposition.

Section 30(b) Ground of Opposition

[22] With a ground of opposition based on section 30(b) of the Act, it is well established that if an applicant's date of first use claimed in the application is earlier than the applicant's actual date of first use of the trademark in Canada, the section 30(b) ground of opposition is successful [see *Scenic Holidays (Vancouver) Ltd v Royal Scenic Holidays Ltd*, 2010 TMOB 63; *Pharmacia AB v Homeocan Inc* (2003), 33 CPR (4th) 375 (TMOB) at paras 6-8].

[23] An opponent's initial evidential burden is 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 Ltd. v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298]. An opponent's initial burden under section 30(b) is light, given that facts regarding the date of first use of a trademark are particularly within the knowledge of the applicant [*Tune Masters v Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB) at 89].

[24] In the present case, the Application includes a claim that the Applicant has used the Mark in Canada in association with the Goods since at least as early as January 22, 2013. The Mark in issue is the specific design trademark shown in paragraph 1 of this decision, above.

[25] With respect to the Opponent's initial evidential burden for the section 30(b) ground of opposition, the Vella Affidavit includes the results of an online search of what appears to be the Applicant's website in 2016, wherein the website indicates that the Applicant does not ship its products to the United States or Canada (see paras. 12 and 13 and Exhibits "G" through "I" of the Vella Affidavit). This evidence from the Opponent, while by no means conclusive of the issue of whether or not the Applicant has used the Mark in Canada, in my view is nevertheless sufficient to meet the Opponent's light initial evidential burden to suggest that the Mark was not in use in Canada as of the claimed date.

[26] Consequently, the Applicant has a legal burden to demonstrate, on a balance of the probabilities, that it has used the Mark in Canada in association with the Goods since at least as early as January 22, 2013.

[27] The Applicant's evidence demonstrates that it uses the Mark in Canada via channels of trade other than direct shipping to Canadian consumers from the Applicant's website. In particular, the Monteiro Affidavit provides evidence of how the Applicant sells its products to distributors and retailers in Canada who in turn sell the Applicant's products to Canadian consumers. However, while the Applicant has demonstrated use of the Mark in Canada, for the reasons set out below, in my view, the Applicant has not met its legal burden to demonstrate use of the Mark in Canada since at least as early as January 22, 2013.

[28] First, the Applicant's evidence includes as Exhibit "D" images of the boxes in which its footwear is shipped to its distributors in Canada. These boxes are described in the Monteiro

Affidavit as representative of those which have been shipped to Canada since January 22, 2013. These boxes prominently bear the words “CLOUD FOOTWEAR”, but notably do *not* bear in its entirety the specific design trademark which is the subject of the present Application. In particular, the boxes do not bear the stylized cloud design which is a prominent element of the Mark. In my view, the omission of the stylized cloud design from the boxes is not a mere minor variation such that the boxes could constitute use of the Mark [see *Convenience Food Industries (Private) Ltd v Clic International Inc*, 2011 FC 1338, 97 CPR (4th) 420 (FC)]. Thus, while the boxes depicted in Exhibit “D” to the Monteiro Affidavit may demonstrate use of the trademark CLOUD FOOTWEAR in Canada since January 22, 2013, they do not constitute use of the specific design Mark as applied for and thus do not support the date of use claimed in the Application.

[29] Second, the Monteiro Affidavit includes as Exhibit “E” a product label which does bear the specific design Mark in issue, including the stylized cloud design component, which Mr. Monteiro states accompanied the products shipped to customers in Canada. This evidence, in my view, does constitute use of the Mark in Canada by the Opponent. However, the Monteiro Affidavit suggests that the label included as Exhibit “E” corresponds to a sale to a Canadian customer in 2015, not a sale on or prior to the claimed date of January 22, 2013. While Mr. Monteiro indicates that this label is “typical of the type of labels” included with Canadian sales since January 22, 2013, I note that the label contains a multitude of other written matter and information in addition to the Mark, and thus in my view there is a ambiguity in the Monteiro Affidavit as to whether labels *actually bearing the Mark* were included for Canadian sales received by customers in Canada since January 22, 2013.

[30] Ultimately, I am satisfied that the Applicant’s evidence demonstrates use of the trademark CLOUD FOOTWEAR in Canada since January 22, 2013, and use of the design Mark in issue in Canada since 2015. However, in my view, the Applicant has not met its legal burden of demonstrating on a balance of probabilities that it has used the design Mark in Canada since at least as early January 22, 2013.

[31] Therefore, the section 30(b) ground of opposition is successful. However, as discussed above, the Application also includes a claim to use and registration of the Mark in Portugal

which has not been successfully challenged by the Opponent. Consequently, the Application can proceed on the basis of the foreign use and registration claim, subject to the outcome of the remaining grounds of opposition.

Section 30(i) Ground of Opposition

[32] Where an applicant has provided the statement required by section 30(i), a ground of opposition based on this section should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant or where use of the applied for trademark would result in violation of a Federal statute [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155 and *Canada Post Corporation v Registrar of Trade-marks* (1991), 40 CPR (3d) 221 (FCTD)]. Mere knowledge of the existence of an opponent's trademark does not in and of itself support an allegation that an applicant could not have been satisfied of its entitlement to use a trademark [see *Woot Inc v WootRestaurants Inc / Les Restaurants Woot Inc*, 2012 TMOB 197].

[33] In the present case, the Application contains the requisite statement and there is no evidence that this is an exceptional case involving bad faith or the violation of a Federal statute. Accordingly, the section 30(i) ground of opposition is dismissed.

Section 12(1)(d) Ground of Opposition

[34] The section 12(1)(d) ground of opposition turns on whether there is a likelihood of confusion between the Mark and the Opponent's registered trademark WALKING ON A CLOUD (TMA388,241). I have exercised my discretion to check the register and confirm that the Opponent's registration No. TMA388,241 remains extant as of the date of this decision.

Test for confusion

[35] The test to determine the issue of confusion is set out in section 6(2) of the Act where it is stipulated that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would likely lead to the inference that the goods and services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods and services are of the same general class or appear in the same

class of the Nice Classification. In making such an assessment, I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5) of the Act: the inherent distinctiveness of the trademarks and the extent to which they have become known; the length of time the trademarks have been in use; the nature of the goods and services or business; the nature of the trade; and the degree of resemblance between the trademarks in appearance, or sound or in the ideas suggested by them.

[36] These criteria are not exhaustive and different weight will be given to each one in a context specific assessment [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, 49 CPR (4th) 401 (SCC); *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, [2006] 1 SCR 772 (SCC) at para 54]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361 (SCC) at para 49, where the Supreme Court of Canada states that section 6(5)(e), the resemblance between the marks, will often have the greatest effect on the confusion analysis.

[37] The test for confusion is assessed as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the applicant's mark, 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, nor to examine closely the similarities and differences between the marks [*Veuve Clicquot, supra*, at para 20].

Inherent distinctiveness of the trademarks and extent to which they have become known

[38] The Opponent's trademark WALKING ON A CLOUD, in my view, has a moderate degree of inherent distinctiveness. The inclusion of the phrase "on a cloud" is suggestive of an uplifting or enjoyable experience in connection with "walking". The Opponent's trademark is not descriptive, but is instead an allusion to a positive consequence of using/patronizing the Opponent's goods/services.

[39] The Applicant's trademark CLOUD FOOTWEAR & Design also has a moderate degree of inherent distinctiveness. The word "cloud" on its own has no descriptive connotation in association with footwear, and at most might be considered suggestive of a footwear product that was light and/or soft. The Applicant's Mark also includes a prominent, stylized cloud design

comprised of three overlapping ovoid shapes, which in my view is a significant component of the Mark as a whole, given the size and placement of the design.

[40] With respect to the extent to which the respective parties' marks have become known, the evidence indicates that the Opponent's trademark is known to some extent, given that the Opponent's trademark appears to have been in use in association with the operation of retail stores selling footwear since the early 1990's, and the Opponent currently operates multiple store locations under that name. However, I note that the Vella Affidavit provides no sales or advertising figures in relation to those stores (other than its distribution of bags bearing the Opponent's trademark, but even there the Vella Affidavit does not specify for how long or during what years the bags were distributed) and thus it is difficult to fairly gauge the extent to which the Opponent's trademark has become known. The Applicant's evidence does provide annual sales and advertising figures relating to the Applicant's use of its Mark in Canada; however, the Applicant's Mark has been in use in Canada for a shorter duration than the Opponent's trademark.

[41] On balance, I do not consider this factor to favour either party.

Length of time the trademarks have been in use

[42] The Opponent's evidence suggests that its trademark WALKING ON A CLOUD has been used in Canada in association with the operation of retail stores selling footwear since the early 1990's. The Opponent's evidence in this proceeding of the use of its trademark has been solely in association with that service; in my view, the Opponent has not provided any evidence of the use of its trademark in association with any of the goods listed in registration No. TMA388,241. For example, the Opponent has not provided any evidence that it has ever sold footwear products such as boots, shoes or slippers branded with the trademark WALKING ON A CLOUD. Instead, the Opponent's evidence suggests that its stores sell third party footwear products branded with third party trademarks (see, for example, Exhibit "E" to the Vella Affidavit). I do not consider the Opponent's distribution of bags bearing its trademark to constitute use of its mark in association with the goods in the registration [see *Gowling, Strathy & Henderson v Karan Holdings Inc* (2001), 14 CPR (4th) 124 (TMOB) at paras 7-8; also, the Opponent's evidence in this case is not of the same scope and variety as was considered in

McDowell v Laverana GmbH & Co KG, 2016 FC 1276], and in any event the Vella Affidavit does not indicate for how long the Opponent has been distributing the bags.

[43] As noted above in the context of the section 30(b) ground of opposition, the Applicant's evidence suggests that it has been using the Mark in Canada in association with footwear since 2015.

[44] Since the Opponent's use of its trademark in association with services has been for a longer duration than the Applicant's use of the Mark, this factor favours the Opponent.

Nature of the goods; nature of the trade

[45] When considering the goods and services of the parties, it is the statement of goods and services in the parties' trademark application and registration that govern the issue of confusion arising under section 12(1)(d) [*Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA); and *Miss Universe Inc v Bohna* (1994), 58 CPR (3d) 381 (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. In this regard, evidence of the actual trades of the parties can be useful, particularly where there is an ambiguity as to the goods or services covered in the application or registration at issue [*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); and *American Optical Corp v Alcon Pharmaceuticals Ltd* (2000), 5 CPR (4th) 110 (TMOB)].

[46] The Opponent's registration No. TMA388,241, as of the date of this decision, covers the following goods: "All types of footwear, namely boots, shoes and slippers." The Application is in association with the following goods: "Footwear, namely, shoes, boots, sneakers, sandals, slippers." Thus, there is direct overlap between the goods in the Opponent's registration and those in the Application.

[47] The Opponent's registration TMA388,241 also covers the following services: "Operation of retail stores selling footwear and clothing and related accessories." The Opponent's evidence demonstrates that it uses its trademark in association with the operation of retail stores selling footwear. In this regard, the evidence indicates that the Opponent's stores sell third party

footwear having their own trademarks (see, for example, Exhibit “E” to the Vella Affidavit which is an advertisement for the Opponent’s stores selling various shoe brands including those sold under the trademarks BLUNDSTONE, SOREL and HUNTER).

[48] The Applicant sells its Goods in Canada in association with the Mark through third party distributors and retailers. The Applicant’s evidence indicates that it does not sell its Goods through the Opponent’s retail stores.

[49] Consequently, the Opponent’s services and the Applicant’s Goods overlap in as much as they both relate to footwear. However, the evidence indicates that there is not a direct overlap between the parties’ respective businesses in that the Opponent is a retailer while the Applicant is a shoe manufacturer. In some cases, a distinction between one party’s mark being used in association with services and another’s being used in association with goods, has been found to be relevant factor in making a finding of no likelihood of confusion [see *Tradition Fine Foods Ltd v Oshawa Group Ltd*, 2004 FC 1011, 33 CPR (4th) 289 (FC); see also *Provigo Distribution Inc v Max Mara Fashion Group SRL*, 2005 FC 1550, 46 CPR (4th) 112 (FC) at para 48].

[50] In this case, on balance, the nature of the parties’ goods/services and trade is a factor which must be considered to favour the Opponent, because of the direct overlap between the goods listed in the Opponent’s registration and the Goods listed in the Application.

Degree of resemblance

[51] The resemblance must be assessed with a consideration of whether there is an aspect of the mark that is particularly striking or unique [see *Masterpiece, supra*, at para 64].

[52] In my view, the striking or unique aspect of the Opponent’s trademark is the phrase “WALKING ON A CLOUD” in its entirety, because it is apparent that the phrase is intended to be read as a whole and to be suggestive of an enjoyable experience in connection with walking.

[53] With respect to the Applicant’s Mark, in my view, the striking or unique aspect is the word “CLOUD” in combination with the stylized cloud design.

[54] The resemblance between the parties' marks thus derives from the common presence of the word "cloud". However, with the Opponent's trademark, the word "cloud" is the final word at the end of a phrase, which in my view has less impact when compared to the Applicant's Mark where the word "cloud" is the first and most prominent word.

[55] In addition, the respective parties' marks as a whole appear and sound quite different, given that they start and end with different words, and the Opponent's trademark is a noticeably longer phrase when compared to the Applicant's Mark. Also, in my view, the ideas conveyed by the marks differ, as the Opponent's trademark is a phrase that is a metaphor for an enjoyable experience, whereas the Applicant's Mark conveys the idea of a "cloud" *per se*.

[56] Ultimately, while there is some degree of resemblance owing to the presence of the word "cloud" in both parties' trademarks, overall, I consider the degree of resemblance to be fairly low, and in my view, this factor favours the Applicant.

Surrounding circumstances

Concurrent use

[57] Evidence of instances of actual confusion is not required in order to demonstrate a likelihood of confusion. However, concurrent use of two trademarks without such instances of actual confusion is a surrounding circumstance which can suggest an absence of a likelihood of confusion, depending on the specific nature and duration of that concurrent use [see *Christian Dior SA v Dion Neckwear Ltd*, 2002 FCA 29, 20 CPR (4th) 155 (FCA) at para 19; see also *Maple Leaf Consumer Foods Inc v Kelbro Enterprises Inc*, 2012 TMOB 28, 99 CPR (4th) 424].

[58] In the present case, the Opponent has not included evidence of any incidences of actual confusion in the marketplace, despite the fact that the evidence suggests that the Opponent's trademark and the Applicant's Mark have coexisted in Canada (and in Ontario specifically) since at least 2015. Though less relevant, I note that the evidence also indicates that the Opponent's trademark has co-existed in Canada with the Applicant's trademark CLOUD FOOTWEAR (without the stylized cloud design element) since 2013.

[59] In my view, this is a surrounding circumstance which favours the Applicant.

Conclusion regarding confusion

[60] Taking into account all of the relevant factors set out above, and particularly in view of the limited degree of resemblance between the marks, the different nature of the parties' businesses, and the multiple years of concurrent use without any evidence of actual confusion, I am satisfied that the Applicant has met its legal burden of demonstrating on a balance of probabilities that there is no likelihood of confusion.

[61] Therefore, the section 12(1)(d) ground of opposition is rejected.

Non-entitlement Grounds of Opposition - Sections 16(1)(a) and 16(2)(a)

[62] As I have found that the Opponent succeeded in its section 30(b) ground of opposition challenging the claimed date of use in the Application, the material date for the section 16(1)(a) ground of opposition becomes the filing date of the Application, namely, November 21, 2014 [see *Everything for a Dollar Store (Canada) Inc v Dollar Plus Bargain Centre Ltd* (1998), 86 CPR (3d) 269 (TMOB) at 282]. The material date for the section 16(2)(a) ground of opposition is also the filing date of the Application.

[63] With the non-entitlement grounds of opposition, the Opponent has an initial evidential burden to demonstrate use of its trademark WALKING ON A CLOUD in Canada prior to the material date, and that the Opponent has not abandoned its mark as of the date of advertisement of the Application. The Opponent meets that initial evidential burden as its evidence demonstrates use of the Opponent's trademark in association with the service operation of retail stores selling footwear since prior to the material date, and there is no evidence to suggest that the Opponent abandoned its mark in association with that service as of the advertisement of the Application.

[64] In my view, the difference in material date between the non-entitlement grounds of opposition and the section 12(1)(d) of opposition does not impact the ultimate outcome of the confusion analysis. That is to say, with respect to the non-entitlement grounds of opposition, I am similarly satisfied that the Applicant has demonstrated on a balance of probabilities that there is no likelihood of confusion between the parties' marks.

[65] However, I will note two ways in which the confusion analysis for the non-entitlement grounds differs from that set out above for the section 12(1)(d) ground. First, with the earlier material date for the non-entitlement grounds (i.e. the filing date of the Application), I cannot take into account the concurrent use of the Mark and the Opponent's trademark. This factor favouring the Applicant must therefore be omitted from consideration for the non-entitlement grounds.

[66] Second, with the non-entitlement grounds, I can only consider the Opponent's use of its mark in association with the service, operation of a retail store selling footwear, as there is no evidence that the Opponent has used its mark in Canada in association with footwear goods. This reduces the overlap between the parties' goods/services and thus reduces the degree to which that factor favours the Opponent.

[67] Ultimately, with respect to the non-entitlement grounds of opposition, in my view the Applicant has satisfied its burden to demonstrate no likelihood of confusion, based primarily on the low degree of resemblance between the parties' marks, and the different nature of the parties' businesses. Consequently, I reject the Opponent's section 16(1)(a) and section 16(2)(a) grounds of opposition.

Distinctiveness Ground of Opposition - Section 2

[68] With this ground of opposition, the Opponent pleads that the Mark is not distinctive in view of the Opponent's prior use and advertisement of the trademark WALKING ON A CLOUD. The material date for this ground of opposition is the date of filing the statement of opposition, namely, January 26, 2016. As with the section 12(1)(d) and non-entitlement grounds, this ground of opposition turns on the question of whether there is a likelihood of confusion between the two parties' marks.

[69] In order to meet its initial evidential burden under this ground of opposition, an opponent must show that its trademark had a substantial, significant or sufficient reputation in Canada in association with relevant goods and/or services [see *Bojangles' International, LLC and Bojangles Restaurants, Inc v Bojangles Café Ltd*, 2006 FC 657, 48 CPR (4th) 427 (FC) at para

34]. I am satisfied that the Opponent's evidence meets that initial evidential burden with respect to the service operation of retail stores selling footwear.

[70] However, while the Opponent has met its evidential burden, I reject the Opponent's section 2 ground of opposition based on the same analysis of confusion as set out above with respect to the section 12(1)(d) ground of opposition. Specifically, I find that the Applicant has met its legal burden to demonstrate that there is no likelihood of confusion between the Mark and the Opponent's trademark as of the material date for the section 2 ground.

DISPOSITION

[71] In view of the foregoing, and pursuant to the authority delegated to me under section 63(3) of the Act, I reject all the grounds of opposition pursuant to section 38(12) of the Act, with the exception of the ground of opposition based upon non-conformity with section 30(b) of the Act. Accordingly, the claim to use of the Mark in Canada since at least as early as January 22, 2013 will be deleted from the Application, and the Application is restricted to the basis of registration and use of the Mark in Portugal in association with the Goods.

Timothy Stevenson
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE 2020-01-14

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