In THE MATTER OF an OPPOSITION by Guess?, Inc to Application No. 876340 for the Trademark RAW DENIM filed by Slide Sportswear Inc.

I The Pleadings

Slide Sportswear Inc. (the «Applicant») filed, on April 27, 1998, an application based on proposed use to register the trade-mark RAW DENIM (the "Mark"), application number 876340, in association with men's, women's and children's clothing, namely: coats, suits, jackets, pants, jeans, sweaters, playsuits, bodysuits, shorts, skirts, sweatshirts, T-shirts, tank-tops, blouses, underwear and sleepwear (the "Wares"). The application was advertised on May 5, 1999 in the Trade-marks Journal for opposition purposes.

Guess?, Inc. (the "Opponent") filed on October 5, 1999 a statement of opposition raising the following grounds of opposition:

- 1) The Applicant could not make a statement that it intended to use, by itself or through a licensee, or by itself and through a licensee, the Mark in Canada since it was in the Applicant's knowledge at the time of filing of the application that the Mark was clearly descriptive and does not function as a trade-mark;
- 2) The Applicant could not make a statement that it intended to use, by itself or through a licensee, or by itself and through a licensee, the Mark in Canada since the Mark had by ordinary and bona fide commercial usage become recognized in Canada at the time of filing of the application as distinguishing the kind and the quality of the Wares and its adoption is therefore prohibited by Section 10 of the Trade-Marks Act (the "Act");
- 3) The Applicant never intended to use the Mark in Canada by itself or through a licensee;
- 4) The Mark is not registrable in view of the provisions of Section 12(1)(b) of the Act as the Mark is clearly descriptive of the quality of the Wares;
- 5) The Mark is not registrable in view of the provisions of Section 12(1)(c) of the Act as the Mark is the name in the English language of the Wares in connection with which it is proposed to be used;
- 6) The Mark is not registrable in view of the provisions of Section 12(1)(e) of the Act as it is a prohibited trade-mark within the meaning of Section 10 of the Act as it has by ordinary and bona fide commercial usage become recognized in Canada as designating the kind and quality of the Wares;

7) The Mark is not distinctive, as it does not actually distinguish the Wares from the wares of others because the term "raw denim" has been in common use for a number of years by parties other than the Opponent to describe similar wares as those contained in the subject application.

The Applicant filed a counter statement in which it basically denied each and every grounds of opposition.

The Opponent's evidence consists of the affidavits of Marvin Libman and two affidavits of Sharon Elliot. The Applicant filed the affidavit of Gilbert Bitton.

The Opponent filed an amended statement of opposition in order to add the words "or deceptively misdescriptive" after the word "descriptive" under the fourth ground of opposition described above. Only the Opponent filed a written argument and no oral hearing was held.

II The Evidence

Mr Libman has been the vice-president of Guess? Canada Corporation, a licensed manufacturer and distributor of the Opponent. He provides, in paragraph 3 of his affidavit, a description of the meaning of the words "raw" and "denim" and a definition of the term "raw denim" when used in the textile industry, which reads as follow:

"3. In the textile industry in Canada, the word "denim" is used to describe a particular type of thick and strong cotton fabric which is often dyed and is used to manufacture garments such as pants, jackets, shirts, skirts, etc. Raw denim is a type of denim which is presented at the mill level in order to make garments look like they have not been wet processed. Other types of denim include cross hatch, ring spun, open end and broken twill. Raw denim fabric would not in the usual course undergo the wet processing treatments normally applied to other types of denim such as rinse wash, stone wash with and without bleach, super stone wash with and without bleach, enzyme wash with and without bleach and silicone softeners."

The affiant filed various pages of the Opponent's website wherein there is an illustration of different type of garments. The description of the garment illustrated contains the term "raw denim" to identify the fabric. Samples of advertisements used by the Opponent since 1997, where the term "raw denim" appears to describe the fabric of the garment illustrated, were also produced as Exhibit C to his affidavit.

Ms. Elliot has been employed by the Opponent's agents firm. She conducted various searches on the Internet to locate hits for the term "raw denim". The results of such searches were produced as various exhibits attached to her affidavit. She also produced copies of articles published in various Canadian newspapers such as the Ottawa Citizen, the Toronto Star and the Globe and Mail where the term "raw denim" is used to describe a certain type of fabric. She also filed copies of articles published in the San Francisco Examiner and the New York Post and extracts of trade magazines where the term "raw denim" is also found.

Her second affidavit consists of the filing of dictionary definitions of the words "raw" and "denim".

Mr. Bitton has been the Applicant's president. On January 1st, 1999, Buffalo Inc. acquired all of the Applicant's shares, and the Applicant was subsequently wounded up. Mr. Bitton alleges that Buffalo Inc. owns all the rights, title and interest in the present application. For the purpose of this decision I shall not make any distinction between the Applicant and Buffalo Inc. The term "Applicant" used hereinafter shall refer to the entity in existence at the relevant time. He admits in paragraph 5 of his affidavit that other parties have used the term "raw denim" on certain occasions but states that such use has not been spread throughout or acknowledged by the industry without providing any evidence to support such statement. He states that the Mark does not describe the quality or the character of the Wares as some of the Wares may be made out of denim or not, and made of raw material or not. He finally states that the term "raw denim" refers to an image or style of life rather than the quality of the Wares. Again no evidence to support such contention was filed.

III The Law applicable to the issues raised in the Statement of opposition

The Applicant has the legal onus to show that its application complies with the provisions of Section 30 of the Act, but the Opponent however has an initial evidential burden to establish the facts relied upon by it in support of its grounds of opposition. If the Opponent meets this initial burden, the Applicant must then prove on a balance of probabilities that the particular grounds of opposition raised in its statement of opposition should not prevent the registration of the mark applied for. [See *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d)

325, at pp. 329-330; John Labatt Ltd. v. Molson Companies Ltd., 30 C.P.R. (3d) 293, Christian Dior, S.A. and Dion Neckwear Ltd [2002] 3 C.F. 405]

The first three grounds of opposition raised the issue of compliance to the provisions of Section 30 of the Act. The relevant date in determining such grounds of opposition is the filing date of the application. (April 27, 1998) [See *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R. (3d) 469, at p. 475].

It has been recently decided that the issue of descriptiveness of the Mark (Section 12(1)(b)) must be assess as of the date of filing of the application. [See *Fiesta Barbeques Limited v. General Housewares Corporation* (2003), 28 C.P.R. (4th) 60 (F.C.T.D.), Zorti Investments Inc. v. Party City Corporation re application No. 766,534, January 12, 2004 (T.M.O.B); Havana Club Holdings S.A. v. Bacardi & Company Limited re application No. 795,803, January 12, 2004 (T.M.O.B.) and Eloyalty Corporation v. Loyalty Management Group Canada Inc re application No. 860,274, May 28, 2004 (T.M.O.B.)]

The ground of opposition raising the issue of registrability of the Mark in view of the provisions of Sections 12(1)(e) and 10 of the Act must be determined as of the date of the Registrar's decision. [See Allied Corp. v. Canadian Olympic Association (1989), 28 C.P.R. (3d) 161 and Canadian Olympic Association v. Olympus Optical Company Limited (1991), 38 C.P.R. (3d) 1].

The material date for assessing the issue of distinctiveness is generally accepted to be the date of filing of the statement of opposition (October 5, 1999). [See Andres Wines Ltd. and E&J Gallo Winery (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R. (3d) 413 at 424 (F.C.A) and Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc. (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)]

There is no evidence to support the third ground of opposition and as such it is dismissed for failure by the Opponent to meet its initial onus. Likewise the Opponent failed to meet its initial onus with respect to the fifth ground of opposition, as the dictionary definitions filed in the record cannot support the contention that <u>the Mark in itself</u> is the name, in the English language, of the Wares. Therefore such ground of opposition is also dismissed.

The Opponent has discharged its initial onus with respect to the fourth, sixth and seventh grounds of opposition by virtue of the evidence it filed in the record and summarized above. It is apparent that the fate of those grounds of opposition will depend on the answer to the following question: Is the Mark descriptive or deceptively misdescriptive in the English language of the character or quality of the Wares? Should the answer be negative, I would still have to determine, in order to dispose of the sixth ground of opposition, if the evidence established that the term "raw denim" has by ordinary and bona fide commercial usage become recognized in Canada as designating the kind and quality of the Wares.

The test to determine if the Mark clearly describes the quality or the character of the Wares is one of first impression. It is not proper to segregate the words of the Mark in order to perform a detailed analysis of each one of them. What must be determined is the immediate impression created by the Mark when used in association with the Wares. [See *Oshawa Group Ltd. V. Registrar of Trade-Marks* (1980), 46 C.P.R.(2d) 145 (F.C.T.D.)]

In *Atlantic Promotions Inc. v. Registrar of Trade-marks (1984), 2 C.P.R. (3d) 183*, Cattanach J. described the meaning of the expression "deceptively misdescriptive" in the following terms:

"In my view the proper test to be applied to the determination as to whether a trade mark in its entirety is deceptively misdescriptive must be whether the general public in Canada would be misled into the belief that the product with which the trade mark is associated had its origin in the place of a geographic name in the trade mark."

As the issue in that case dealt with the place of origin of the wares, by analogy it could be said that the Mark is deceptively misdescriptive if the general public in Canada would be misled into the belief that the Wares with which the Mark is associated is made of a fabric called "raw denim".

Some of the evidence described above clearly originates from sources located outside Canada. However in the context of section 12(1)(b) of the Act, Hearing Officer J.W. Bradbury in *Canadian*

Inovatech Inc. v. Burnbrae Farms Ltd. (2003), 31 C.P.R. (4th) 151 discussed the relevancy of such evidence:

"The fact that the references are from sources outside Canada does not make them irrelevant as the issue is not whether the words "barn eggs" have been used in a clearly descriptive manner in Canada, but whether such words are clearly descriptive in the English language."

In *The Shorter Oxford English Dictionary, Third Edition* (exhibit C to Elliot's second affidavit) the word "raw" is defined as:

"...2. In a natural or unwrought state; not yet subjected to any process of dressing or manufacture: a. of the materials of textile fabrics; esp. r. silk, silk simply drawn from the cocoons by reeling ME..."

The evidence filed by the Opponent, including dictionaries' definitions of the words "raw" and "denim", established that, on a balance of probabilities and on a matter of first impression to the average Canadian consumer, the Mark is clearly descriptive of the character or quality of the Wares as it would not be associated by such consumer with a source of supply of the Wares but with the type of fabric used in the manufacturing of the Wares. On the other hand, if another type of fabric is used in the manufacturing process of the Wares as suggested by the Applicant, then the Mark would be deceptively misdescriptive of the character or quality of the Wares. The Applicant failed to establish that the word "raw" is associated by the Canadian consumer to the way of life described in Mr. Bitton's affidavit. Therefore I maintain the fourth ground of opposition.

If the Mark is clearly descriptive, as ruled above, it cannot function to distinguish the Wares from the wares of others, [see *General Foods Inc. v. Hills Bros. Coffeee, Inc (1984), 2 C.P.R. (3d)* 352(T.M.O.B.)] unless there is evidence of use of the Mark in Canada by the Applicant in such a way that it has become distinctive at the date of application. (See Section 12(2) of the Act) The Application was filed on the basis of proposed use and there has been no evidence of use of the Mark either prior to or after the date of filing of the application. In any event there is evidence of use of the term "raw denim" by other parties to identify the type of fabric used in the manufacturing of the wares. Therefore the Opponent is also successful with respect to its last ground of opposition.

Having already determined that the Opponent was successful on two grounds of opposition, it is not necessary to discuss the remaining grounds of opposition.

IV Conclusion

Therefore, having been delegated authority by the Registrar of Trade-marks by virtue of Subsection 63(3) of the Act, I refuse the application to register the Mark, the whole pursuant to Subsection 38(8) of the Act.

DATED, IN MONTREAL, QUEBEC, THIS 18th DAY OF JANUARY 2005.

Jean Carrière, Member, Trade-marks Opposition Board