

**IN THE MATTER OF AN OPPOSITION by Modextil Inc. to
application No. 787,822 for the trade-mark CASH-COTTON &
Design filed by Mondo, Inc.**

On July 18, 1995, the applicant, Mondo, Inc., filed an application to register the trade-mark CASH-COTTON & Design, a representation of which appears below, based upon use of the trade-mark in Canada since at least as early as January 31, 1991 in association with “Men's and boy's wearing apparel and accessories, namely sweaters, shirts, pants, jackets, suits, ties, socks, scarves, belts”.

The present application was advertised for opposition purposes in the *Trade-marks Journal* of December 20, 1995 and the opponent, Modextil Inc., filed a statement of opposition on May 21, 1996, a copy of which was forwarded to the applicant on May 31, 1996. The applicant served and filed a counter statement on June 28, 1996. The opponent submitted at its evidence the affidavit of Henri Abitan while the applicant elected not to file any evidence. The opponent alone submitted a written argument and no oral hearing was conducted in respect of this opposition.

The opponent has alleged the following grounds of opposition:

1. The applicant's application does not comply with Section 30 of the *Trade-marks Act* in that:
 - (a) the applicant has not used its wares [sic];
 - (b) the applicant has abandoned its mark in whole or in part;
 - (c) it is false that the applicant has said that it is satisfied that it is entitled to use

the trade-mark in Canada having regard to the allegations set forth in the statement of opposition;

2. The applicant's trade-mark is not registrable in view of the provisions of Subsection 12(1) of the *Trade-marks Act* in that:

(a) the trade-mark, whether depicted, written or sounded, is either clearly descriptive or deceptively misdescriptive, in the English or French language, of the character or quality of the wares in association with which it is used, that is, wares made with material resembling cashmere and cotton either in texture or in composition of the fibres or in some other manner, contrary to Paragraph 12(1)(b) of the *Act*;

(b) the trade-mark is a mark the adoption is prohibited by Section 10 of the *Act* in that it is a mark that has by ordinary and *bona fide* commercial usage become recognized in Canada as designating the kind, quality, quantity, destination, value, place of origin or date of production of the wares of the applicant and thus no person shall adopt it as a trade-mark in association with its wares or others of the same general class or use it in a way likely to mislead, nor shall any person so adopt or so use any mark so nearly resembling that mark as to be likely to be mistaken therefor.

3. The applicant's trade-mark is not distinctive of the wares of the applicant nor is it adapted so to distinguish them:

(a) having regard principally to the adoption and use of the terms CASHCOTTON and CASH-COTTON by several third parties in Canada including E. Pecci & C. of Firenza, Italy to designate a type of yarn used in the production of various clothes including those sold by the opponent in Canada;

(b) as a result of its transfer, there existed rights in two or more persons to the use of the trade-mark and these right have been exercised by such persons, contrary to Section 48 of the *Act*;

(c) the applicant has permitted third parties to use the trade-mark in Canada, and in fact such third parties have used the mark, outside the framework of the legislative provisions controlling the use under license, contrary to Section 50 of the *Act*.

With respect to the first ground of opposition, the legal burden is upon the applicant to show that its application complies with Section 30 of the *Trade-marks Act*. There is, however, an initial evidential burden on the opponent to adduce sufficient evidence which, if believed, would support the truth of the allegations relating to the Section 30 ground [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330]. To meet the evidential burden upon it in relation of a particular issue, the opponent must adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support that issue exist [see *John Labatt Limited v. The Molson Companies Limited*, 30 C.P.R. (3d) 293, at p. 298]. Further, the material time for considering the circumstances respecting the issue of non-compliance with Section 30 of the *Act* is the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R.(3d) 469, at p. 475].

In the present case, no evidence has been filed by the opponent in support of its allegations that the applicant either has not used the trade-mark CASH-COTTON & Design in Canada in

association with its wares since the claimed date of first use or that the applicant has abandoned its trade-mark. The opponent has therefore failed to meet the evidential burden upon it in respect of these aspects of the Section 30 ground. Likewise, no evidence has been furnished by the opponent to show that the applicant could not have been satisfied that it was entitled to use its trade-mark CASH-COTTON & Design in Canada. Moreover, to the extent that the Subsection 30(i) issue is founded upon allegations set forth in the remaining grounds of opposition, the success of this aspect of the Section 30 ground is contingent upon a finding that the trade-mark is not registrable or not distinctive, as alleged in those grounds [see *Consumer Distributing Co. Ltd. v. Toy World Ltd.*, 30 C.P.R. (3d) 191, at p. 195; and *Sapodilla Co. Ltd. v. Bristol-Myers Co.*, 15 C.P.R. (2d) 152, at p. 155]. I will therefore consider the remaining grounds of opposition relied upon by the opponent.

As its second ground, the opponent alleged that the applicant's trade-mark is not registrable in view of Paragraph 12(1)(b) of the *Trade-marks Act* since the trade-mark CASH-COTTON & Design is clearly descriptive or deceptively misdescriptive of the character or quality of the applicant's wares. Paragraph 12(1)(b) of the *Act* provides as follows:

- 12.** (1) Subject to section 13, a trade-mark is registrable if it is not
(b) whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;

The issue as to whether the trade-mark CASH-COTTON & Design is clearly descriptive of the character or quality of the applicant's wares must be considered from the point of view of the average consumer of those wares. Further, in determining whether the trade-mark CASH-COTTON & Design is clearly descriptive, the trade-mark must not be dissected into its component elements and carefully analysed, but rather must be considered in its entirety as a matter of immediate impression [see *Wool Bureau of Canada Ltd. v. Registrar of Trade Marks*, 40 C.P.R. (2d) 25, at pp. 27-28 and *Atlantic Promotions Inc. v. Registrar of Trade Marks*, 2 C.P.R. (3d) 183, at p. 186]. Additionally, the material date for considering a ground of opposition based on Paragraph 12(1)(b) of the *Trade-marks Act* is the date of decision [see *Lubrication Engineers, Inc. v. The Canadian Council of Professional Engineers*, 41 C.P.R. (3d) 243 (F.C.A.)].

While the legal burden is upon the applicant to show that its trade-mark is registrable, there is an initial evidential burden upon the opponent to adduce sufficient evidence which, if believed, would support the truth of its allegations that the trade-mark CASH-COTTON & Design is clearly descriptive of the character or quality of the applicant's wares. It is therefore necessary to consider the opponent's evidence in order to determine whether it has met its initial burden. In this regard, Mr. Abitan, President of the opponent, states that CASH-COTTON is a term applied to a textile fibre comprised of 60% cotton and 40% modal which is produced by an Italian company, E. Pecci & C., the fibre having a texture resembling cashmere and cotton. According to Mr. Abitan, the opponent has imported clothing made from CASH-COTTON yarn since December 8, 1994 and has sold the clothing under labels bearing the mark CASH-COTTON BY REPORT COLLECTION in more than one hundred stores across Canada. Further, Mr. Abitan identifies three importers/wholesalers who import and sell clothing in Canada bearing labels which indicate that the clothing is manufactured with CASH-COTTON (or CASH COTTON) yarn. Mr. Abitan has annexed as exhibits to his affidavit specimens of clothing imported by each of these companies, as well as by the opponent.

The Abitan affidavit establishes that parties other than the applicant have adopted and used the terms CASH-COTTON and CASH COTTON in Canada to identify the yarn used in the manufacture of their clothing. However, this evidence does not support the allegation that the applicant's trade-mark CASH-COTTON & Design is clearly descriptive of the character or quality of the applicant's wares. While the element COTTON in the applicant's trade-mark clearly suggests that cotton is used in the manufacture of the applicant's clothing, the element CASH would not have any readily apparent meaning to the average consumer of the applicant's wares. Thus, the applicant's trade-mark CASH-COTTON & Design, when considered in its entirety as a matter of immediate impression, is neither clearly descriptive nor deceptively misdescriptive of the character or quality of the applicant's wares. I have therefore dismissed the second ground.

The third ground is based on Paragraph 12(1)(e) and Section 10 of the *Trade-marks Act*, the opponent alleging that the trade-mark CASH-COTTON & Design is not registrable in that it is a mark that has by ordinary and *bona fide* commercial usage become recognized in Canada as designating the kind, quality, quantity, destination, value, place of origin or date of production of the

wares of the applicant and it so nearly resembles that mark as to be likely to be mistaken for it. The material date for considering a ground of opposition based on Paragraph 12(1)(e) of the *Act* is as of the date of decision [see *Lubrication Engineers, Inc. v. The Canadian Council of Professional Engineers*, 41 C.P.R. (3d) 243 (F.C.A.); and *Olympus Optical Company Ltd. v. Canadian Olympic Association - Association Olympique Canadienne*, 38 C.P.R. (3d) 1, at p. 4 (F.C.A.)]. Further, while the legal burden is upon the applicant to show that its trade-mark CASH-COTTON & Design is registrable, there is an initial evidential burden on the opponent in respect of this ground to adduce sufficient evidence which, if believed, would support the truth of its allegations in relation to this ground.

The opponent's evidence is, in my opinion, sufficient to meet its evidential burden in that the Abitan affidavit establishes that four importers sell clothing in Canada bearing labels which prominently feature the mark CASH-COTTON or CASH COTTON and which refer to the fabric as being cotton with the cashmere feel. The legal burden is therefore upon the applicant to satisfy the Registrar that its trade-mark CASH-COTTON & Design does not so nearly resemble the marks CASH-COTTON or CASH COTTON as to be likely to be mistaken for one or other of them. Since the dominant element of the applicant's trade-mark is the words CASH-COTTON, the applicant's mark both visually and when sounded would be likely to be mistaken for the marks CASH-COTTON or CASH COTTON. Consequently, I find that the applicant has failed to meet the legal burden upon it in respect of this ground and the Paragraph 12(1)(e) ground is therefore successful.

As its final ground, the opponent alleged that the applicant's trade-mark is not distinctive of the wares of the applicant nor is it adapted so to distinguish them. The material time for considering the circumstances regarding the issue of distinctiveness is the date of the opposition, that is, May 21, 1996 [see *Re Andres Wines Ltd. and E.&J. Gallo Winery*, 25 C.P.R. (2d) 126 (F.C.A.), at p.130; *Park Avenue Furniture Corp. v. Wickes/ Simmons Bedding Ltd.*, 37 C.P.R.(3d) 412 (F.C.A.), at p. 424; and *Molson Breweries, a Partnership v. Labatt Brewing Company Limited*, 82 C.P.R. (3d) 1, at p. 15)]. Furthermore, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its wares from those of others throughout Canada [see *Muffin Houses, Inc. v. Muffin House Bakery Ltd.*, 4 C.P.R.(3d) 272 (T.M.O.B.)]. There is,

however, an evidential burden on the opponent to prove the allegations of fact in support of its ground of non-distinctiveness [see *Clarco Communications Ltd. v. Sassy Publishers Inc.*, 54 C.P.R.(3d) 418, at p. 431 (F.C.T.D.)].

The opponent has not furnished any evidence in support of its allegations that, as a result of its transfer, there existed rights in two or more persons to the use of the trade-mark CASH-COTTON & Design and these rights have been exercised by such persons, contrary to Section 48 of the *Trade-marks Act*. Likewise, there is no evidence to support the allegation that the applicant has permitted third parties to use its trade-mark in Canada, and in fact such third parties have used the mark, outside the framework of the legislative provisions controlling the use under license, contrary to Section 50 of the *Trade-marks Act*. I have therefore dismissed these aspects of the non-distinctiveness ground.

The opponent also asserted that the applicant's mark is not distinctive in view of the adoption and use of the terms CASHCOTTON and CASH-COTTON by several third parties in Canada including E. Pecci & C. of Firenza, Italy, to designate a type of yarn used in the production of various clothes including those sold by the opponent in Canada. While the Abitan affidavit attests to the importation and sale by third parties in Canada of clothing in association with the marks CASHCOTTON and CASH-COTTON, the opponent's evidence does not establish that these activities occurred prior to the date of opposition [May 21, 1996], the material date for considering this ground. Rather, the only evidence relating to use of the mark CASH-COTTON in Canada prior to the material date is by the opponent. In this regard, the Abitan affidavit establishes that the opponent has been distributing clothing in Canada since December 8, 1994 in association with its trade-mark CASH-COTTON BY REPORT COLLECTION. However, the Abitan affidavit is silent as to the volume or dollar value of sales or the extent of distribution of its wares bearing its trade-mark prior to the date of opposition. While it might be inferred from the opponent's evidence that there may have been a fair distribution of its wares in Canada in association with its trade-mark between December of 1994 and May 21, 1996, the meeting of the evidential burden on the opponent is not a matter to be left to speculation. I have concluded therefore that the opponent has failed to meet its evidential burden in respect of this ground which I have rejected.

Having been delegated by the Registrar of Trade-marks by virtue of Subsection 63(3) of the *Trade-marks Act*, I refuse the applicant's application pursuant to Subsection 38(8) of the *Trade-marks Act*.

DATED AT HULL, QUEBEC, THIS 19th DAY OF FEBRUARY, 1999.

G.W. Partington,
Chairperson,
Trade-marks Opposition Board.