

**IN THE MATTER OF AN OPPOSITION
by L.A. Gear, Inc. to application No.
627,545 for the trade-mark LA SPORTS &
Design filed by Los Angeles Sports Council**

On March 15, 1989, Los Angeles Sports Council (the “Applicant”) filed an application to register the trade-mark LA SPORTS & Design (the “Mark”), which is shown below.



The Applicant has disclaimed the right to the exclusive use of the word SPORTS apart from the trade-mark.

The application is currently based upon proposed use of the trade-mark in Canada in association with writing paper, envelopes, notepads, pens, pencils; bags, namely athletic tote and shoulder bags; luggage, lapel pins, buttons, mugs, cups.

The application was advertised for opposition purposes in the Trade-marks Journal of February 28, 1996.

On July 29, 1996, L.A. Gear, Inc. (the “Opponent”) filed a statement of opposition against the application. The grounds of opposition are summarized below:

1. The application does not comply with s. 30(i) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the “Act”) because the Applicant cannot be satisfied that it is entitled to register the Mark in Canada in view of the prior use of the trade-marks L.A. GEAR, L.A. GEAR Design (#1), L.A. GEAR Design (#2) and L.A. TECH by the Opponent.

2. The Mark is not registrable pursuant to s. 12(1)(d) of the Act because it is confusing with the trade-marks registered by the Opponent under Nos. 388,127, 394,804, 368,730, 394,805 and 429,436 for use in association with various clothing, clothing accessories, footwear and toys.
3. The Applicant is not the person entitled to registration of the Mark pursuant to s. 16(3)(a) and (c) of the Act because, at the date of filing of the application, the Mark was confusing with the Opponent's trade-marks L.A. GEAR, L.A. GEAR Design (#1), and L.A. GEAR Design (#2) and trade-name L.A. GEAR Inc., all of which have been previously used or made known in Canada for sports clothing and footwear, as well as sports bags, carrying bags, pins and buttons, visors, sunglasses, and other clothing accessories.
4. The Mark is not distinctive of the wares of the Applicant within the meaning of s. 2 of the Act in that it does not actually distinguish nor is it adapted to distinguish the Applicant's wares from the wares of the Opponent or others in Canada.

The Opponent's design marks are shown below.

L.A. GEAR Design (#1) – registration No. 368,730:

The image shows the handwritten logo for L.A. Gear. The letters 'L.A.' are written in a bold, cursive style, with the 'L' and 'A' connected. The word 'Gear' is written in a similar cursive style, with a long, sweeping tail on the 'r'.

L.A. GEAR Design (#2) – registration No. 394, 805:



The Applicant filed and served a counter statement in which it denied the Opponent's allegations. It also noted that although the Opponent's name is L.A. Gear, Inc., the pleadings identify the Opponent's trade-name as L.A. Gear Inc., *i.e.* without a comma. I do not consider this inconsistency to be of any significance.

As rule 41 evidence, the Opponent filed the affidavits of Shirley McDonald and Paul Papadopoulos. The Applicant obtained an order for the cross-examination of both affiants but only proceeded to cross-examine Mr. Papadopoulos on his affidavit. The transcript of the cross-examination, as well as related exhibits and answers to undertakings, form part of the record.

As rule 42 evidence, the Applicant filed the affidavits of David Simon, Linda Victoria Thibeault and Michal Niemkiewicz.

Each party filed a written argument and an oral hearing was held at which both parties were represented.

Onus

The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. There is however an initial 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*, 30 C.P.R. (3d) 293 at 298; *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)] In addition, s. 16(5) and 17(1) of the Act place a burden on the Opponent to establish non-abandonment of its marks and name as of the date of

advertisement of the Applicant's application.

Material Dates

Each of the grounds of opposition turns on the issue of the likelihood of confusion, but each ground has a different date for assessing this issue. The material date with respect to the s. 30(i) ground of opposition is the filing date of the application. [See *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R. (3d) 469 at 475] The material date with respect to the registrability ground of opposition is the date of my decision. [See *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks*, 37 C.P.R. (3d) 413 (F.C.A.)] The material date with respect to the entitlement ground of opposition is the filing date of the application. [See s. 16(3)] The material date with respect to the non-distinctiveness ground of opposition is generally considered to be the date of filing of the opposition. [See *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.) at 324]

Opponent's Evidence

McDonald Affidavit

Ms. McDonald, a trade-mark searcher, provides copies of Canadian applications and registrations owned by the Opponent for trade-marks that include the element "L.A."

Papadopoulos Affidavit

Mr. Papadopoulos is the Executive Vice President of Indeka Imports Ltd., which has imported into Canada and distributed the Opponent's products since 1986. At first only shoes were distributed but in 1990 the products were expanded to include wearing apparel.

Indeka sells L.A. GEAR footwear and clothing items to independent retailers as well as major retail chains. Apparently L.A. GEAR footwear has held significant market shares in Canada, both as of 1990 and as of 1999.

Mr. Papadopoulos has provided the wholesale value of L.A. GEAR footwear and apparel sold in Canada in each of the years 1986 through 1997. The annual values range from \$2.7 million to \$29.1 million. However, the Applicant has submitted that these figures are inadmissible hearsay

because the affiant stated on cross-examination that the figures were provided to him. [cross-examination, page 28] About 90% of the sales relate to footwear, rather than apparel. [cross-examination, page 27] Indeka spends approximately 3% of the amount of sales per year on advertising L.A. GEAR products. Advertising has taken the form of radio and television advertisements, billboards, co-op advertising, newspaper advertisements, counter displays, *etc.* From 1990-1997, catalogues were distributed, but only to buyers at retail stores. [cross-examination, pages 62-64]

At paragraph 15 of his affidavit, Mr. Papadopoulos states that Indeka has also “over the years distributed items such as water bottles, caps, sports bags, waistpacks, watches, keychains, pens and mugs, marked with the L.A. GEAR trade-mark, to retailers and to customers, as items that are provided to customers upon the purchase of footwear.” At questions 287-315 of his cross-examination, he provided the following information concerning such wares: a catalogue was launched for watchwear in 1991 but it wasn’t very successful and now they are only given away as a gift with purchase (GWP); pens and hats and “things like that” are also only GWPs; in 1990/91, they went to market with some bags but weren’t very successful and ended up using them as GWPs over time.

Applicant’s Evidence

Simon Affidavit

Mr. Simon has been the Applicant’s President since 1990. He informs us that the Applicant is “a private not-for-profit corporation whose mission is to promote local economic development through sports, primarily by bidding against other cities for the right to host a variety of special events.”

Mr. Simon provides details of how the Applicant has used and promoted the Mark in the United States and Japan. He states that the Mark has co-existed with the Opponent’s marks in both the United States and Japan for about a decade without any instances of confusion coming to his attention.

Mr. Simon says that the Applicant intends to sell its wares in Canada through retail outlets such as stationery and souvenir shops, and not in shoe or athletic stores.

Thibeault Affidavit

Ms. Thibeault, a trade-mark searcher, provides copies of registrations and applications that she located for trade-marks “indexed under ‘LA’ or ‘L.A.’ which could represent the abbreviation for ‘Los Angeles’ in connection with ‘clothing, footwear and accessories’.” She did not include trade-marks incorporating the letters LA where, in her opinion, LA meant “the” in the French, Italian or Spanish language. Ms. Thibeault’s search was done in July 2000.

Ms. Thibeault located the following third party registrations/applications, each of which is owned by a separate company:

1. LA Design (#1) – filed December 20, 1982; registered February 19, 1988
2. LA Design (#2) – filed July 18, 1984; registered October 18, 1985
3. L.A. BLUES Design – filed October 18, 2001; registered May 4, 2000
4. L.A. COOL – filed August 9, 1989; registered November 16, 1990
5. L.A. DIRECTIONS Design – filed May 26, 1987; registered September 16, 1988
6. L.A. EXPRESS – filed August 5, 1982; registered August 3, 1984
7. L.A. HEAT – filed January 6, 1995; registered February 16, 1996
8. L.A. INTIMATES – filed February 18, 1994; August 22, 1997
9. L.A. KINGS & Design – filed February 3, 1998; registered September 21, 1999
10. L.A. LOOKS – filed February 9, 1993; registered October 7, 1994
11. L.A. RAYS Design – filed June 26, 1991; registered October 21, 1994
12. L.A. SKI – filed January 6, 1995; registered October 25, 1996
13. L.A. TOUCH & Design – filed June 13, 1995; registered August 30, 1996
14. L.A. UNDERGROUND – filed December 15, 1997; registered September 18, 1998
15. LA & Design (#1) – filed March 11, 1997; allowed March 17, 2000
16. L.A. GOLF & Design – filed January 18, 2000
17. L.A. SPORTS & Design – filed January 18, 2000
18. L.A.N.Y. USA – filed March 5, 1998
19. LA SPORT & Design – filed April 29, 1997
20. LA Design (#3) – filed June 29, 1979; registered May 9, 1980
21. LA & Design (#2) – filed May 10, 1984; registered May 30, 1986

Niemkiewicz Affidavit

Mr. Niemkiewicz provides copies of various dictionary listings for “LA”.

Section 30(i) Ground of Opposition

I am dismissing the first ground of opposition because the Opponent neither pleaded nor demonstrated that the Applicant was aware of the Opponent's prior rights when it filed its application. If the Applicant was unaware of the alleged prior rights, then there is no reason why it could not have been satisfied that it was entitled to register the Mark. In any event, where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant. [*Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]

Section 16 Grounds of Opposition

Although the Opponent has pleaded a single paragraph pursuant to s. 16, it has based its pleading on three trade-marks plus a trade-name. In order to satisfy its initial burden with respect to each arm of its pleading, the Opponent must establish that its trade-mark or trade-name was used or made known in Canada prior to March 15, 1989 in association with sports clothing and footwear, sports bags, carrying bags, pins and buttons, visors, sunglasses and other clothing accessories, and that such use or making known was not abandoned as of February 28, 1996.

I will begin by assessing if the Opponent has met its initial burden with respect to its word mark L.A. GEAR. Mr. Papadopoulos states at paragraph 2 of his affidavit that Indeka has distributed products of L.A. Gear, Inc. in Canada since 1986, commencing with shoes and expanding to apparel items in 1990. In paragraph 5, he states that wholesale amounts pertaining to sales of L.A. GEAR footwear were \$2.7 million in 1986, \$4.2 million in 1987 and \$8.3 million in 1988. However, Mr. Papadopoulos has nowhere shown us how the Opponent's L.A. GEAR mark was associated with the footwear at any time prior to March 15, 1989. The earliest materials that he has provided are dated 1990 (for example Exhibit "E" and the 'Unstoppable Apparel' catalogue in Exhibit "G"). Nowhere does he state that these show how the mark appeared on the wares prior to March 15, 1989.

The Opponent has pointed out that its registration for L.A. GEAR No. 394,804 is based on use of the mark in Canada in association with clothing, footwear, accessories, watches, toys, sports bags and other items since before March 15, 1998. However, the Opponent has not filed a certified

copy of this registration and even if it had, the mere filing of a certified copy of an opponent's registration will not support the opponent's evidential burden with respect to grounds of opposition based on allegations of non-entitlement. [See *Entre Computer Centers, Inc. v. Global Upholstery Co.* (1991), 40 C.P.R. (3d) 427 (T.M.O.B.)]

Evidence of use of the design trade-marks, as well as the trade-name, prior to March 15, 1989 is similarly lacking, as is evidence of the making known of any of the Opponent's trade-marks or trade-name. Accordingly, I am dismissing the s. 16 grounds of opposition on the basis that the Opponent has not met its burden to show prior use or making known of any of the marks or name on which it relies.

Section 12(1)(d) Grounds of Opposition

The Opponent has met its initial burden with respect to its s. 12(1)(d) grounds of opposition because the registrations on which it relies are extant. The likelihood of confusion among the marks will therefore be assessed, beginning with the likelihood of confusion between the Mark LA SPORTS & Design and the mark L.A. GEAR (registration No. 394,804).

The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class. In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; and the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

In *Polo Ralph Lauren Corp. v. United States Polo Association et al.* (2000), 9 C.P.R. (4th) 51 (F.C.A.) at 58-59, Malone J.A. summarized the guidelines to be applied when assessing the likelihood of confusion as follows:

A review of some of the leading cases also establishes some practical guidelines. For example, the Court is to put itself in the position of an average person who is familiar with the earlier mark but has an imperfect recollection of it; the question is whether the ordinary consumer will, on seeing the later mark, infer as a matter of first impression that the wares with which the second mark is used are in some way associated with the wares of the earlier. With respect to the degree of resemblance in appearance, sound or ideas under subparagraph 6(5)(e), the trade-marks at issue must be considered in their totality. As well, since it is the combination of elements that constitutes a trade-mark and gives distinctiveness to it, it is not correct to lay the trade-marks side by side and compare and observe similarities or differences among the elements or components of the marks when applying the test for confusion. In addition, trade-marks must not be considered in isolation but in association with the wares or services with which they are used. When dealing with famous or well-known marks, it may be more difficult to demonstrate that there is no likelihood of confusion, especially if the nature of the wares are similar. Lastly, the enumerated factors in subsection 6(5) need not be attributed equal weight. Each particular case of confusion might justify greater emphasis being given to one criterion than to others.

In the recent Supreme Court of Canada decision in *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22, at paragraph 58 Mr. Justice Binnie elaborated on the consumer in question as follows:

A consumer does not of course approach every purchasing decision with the same attention, or lack of it. When buying a car or a refrigerator, more care will naturally be taken than when buying a doll or a mid-priced meal: *General Motors Corp. v. Bellows*, [1949] S.C.R. 678. In the case of buying ordinary run-of-the-mill consumer wares and services, this mythical consumer, though of average intelligence, is generally running behind schedule and has more money to spend than time to pay a lot of attention to details. In appropriate markets, such a person is assumed to be functionally bilingual: *Four Seasons Hotels Ltd. v. Four Seasons Television Network Inc.* (1992), 43 C.P.R. (3d) 139 (T.M.O.B.). To those mythical consumers, the existence of trade-marks or brands make shopping decisions faster and easier. The law recognizes that at the time the new trade-mark catches their eye, they will have only a general and not very precise recollection of the earlier trade-mark, famous though it may be or, as stated in *Coca-Cola of Canada Ltd. v. Pepsi-Cola Co. of Canada Ltd.*, [1942] 2 D.L.R. 657 (P.C.), “as it would be remembered by persons possessed of an average memory with its usual imperfections” (p. 661). The standard is not that of people “who never notice anything” but of persons who take no more than “ordinary care to observe that which is staring them in the face”: *Coombe v. Mendit Ltd.* (1913), 30 R.P.C. 709 (Ch. D.), at 717. However, if ordinary casual consumers somewhat in a hurry are likely to be deceived about the origin of the wares or services, then the statutory test is met.

inherent distinctiveness of the trade-marks

The Opponent's mark consists of two suggestive components, L.A. (which the Opponent, who is located in California, says is a reference to the city of Los Angeles and that city's lifestyle) and GEAR (which can mean clothing or personal equipment). The Opponent has disclaimed the right to the exclusive use of the word GEAR apart from the trade-mark in its registration. For these reasons, the L.A. GEAR trade-mark is inherently weak.

It is debatable if the Canadian public would respond to the Applicant's Mark as including the abbreviation for Los Angeles. This is for several reasons: there are no periods after the L and A; LA is an abbreviation for various things other than Los Angeles, for example Louisiana; LA is a word in the English language; and last, but certainly not least, given the bilingual nature of Canada and the fact that trade-marks need not be grammatically correct, Canadians might respond to LA SPORTS as being a combination of the French article "la" and the English word "sports".

Regardless of the meaning that is associated with the letters LA in the Applicant's Mark, I find that the Mark has a greater degree of inherent distinctiveness than the Opponent's L.A. GEAR mark. This is primarily due to the highly distinctive design feature of the Applicant's Mark but also is due to the fact that the word portions of the Mark are by and large not suggestive of the wares being applied for, the exception being the athletic tote and shoulder bags.

the extent to which each trade-mark has become known

Although the Applicant has questioned Mr. Papadopoulos' personal knowledge of the Opponent's Canadian sales figures and the like, it is clear that Mr. Papadopoulos is generally knowledgeable of his company's sales and promotion of the Opponent's wares in Canada. Therefore, although reduced weight might be accorded to Mr. Papadopoulos' evidence, I nevertheless find that the Opponent's mark has clearly become known to a greater extent than has the Applicant's unused Mark.

the length of time each trade-mark has been in use

The length of time that each trade-mark has been in use clearly favours the Opponent.

the nature of the wares, services or business; the nature of the trade

When considering the wares, services and trades of the parties under s. 12(1)(d), it is the statements of wares or services in the parties' trade-mark application or registrations that govern. [See *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe, Inc. v. Dale Bohna* (1984), 58 C.P.R. (3d) 381 (F.C.A.)]

The statement of wares in the Opponent's registration No. 394,804, reads as follows:

- 1) Clothing for men, women and children, namely shirts, shorts, pants, jackets, hats, jeans, sweatpants, sweatshirts, fleece and leisure shorts, rugby shirts, t-shirts, head bands, wrist bands, ankle bands, waist bands, leg warmers, belts, suspenders, visors, gloves, socks, hosiery and footwear, namely shoes.
- (2) Watches; clothing accessories, namely wrist wallets, sunglasses, towels, exercise belts with bags, purses, foot pom poms, caps; toys, namely toy bicycles, toy mini scooters, dolls and doll clothes and accessories, including doll exercise equipment and gym bags; sports bags; and exercise equipment, namely batons, aerobic coils, dumbbells, aerobic dance clubs, dance ropes, dance hoops, wrist weights, exercise mats, dance rings, power grip weights, ankle weights, workout towels, skip ropes, tension hand grips, boxing gloves, punching bags, chest builders, workout gloves and padded dumbbells.

There is thus a clear overlap between the Opponent's registered wares and the Applicant's applied for wares, namely between the Opponent's "sports bags" and the Applicant's "bags, namely athletic tote and shoulder bags".

It is not clear to me that the Opponent was actively distributing sports bags when Mr. Papadopoulos gave his evidence, and there is contradictory evidence as to when such wares were ever distributed (the registration claims use at least as early as November 1985 but according to page 61 of the cross-examination, they were introduced into the marketplace in 1990/91). In addition, it appears that shortly after 1991, the Opponent's bags were only distributed as gifts or promotional items, which may not qualify as use in association with s. 4. [See *Times Mirror Co. v. Transcontinental Distribution Inc.* (2004), 42 C.P.R. (4th) 1 (T.M.O.B.), at paragraphs 23-33]

However, given that the Opponent's registration covers "sports bags", the issues raised in the preceding paragraph are not the deciding factor. Moreover, even if the Opponent had never sold or given away sports bags, given that they do sell sports clothing and shoes, I would in any event

consider athletic tote and shoulder bags to be related to the wares sold by the Opponent.

Although the Opponent has distributed pens, mugs and key chains, they were never sold but rather were given away as promotional items to stores for them to give to customers. [See cross-examination, page 66] More importantly, such wares are not covered by the Opponent's registration.

Although the Applicant says that it does not intend to sell its wares in shoe or athletic stores, its statement of wares is not so restricted.

The Opponent has in the past sponsored college sports teams by providing them with footwear *etc.* and argues that this increases the likelihood of confusion because the Applicant has stated that it uses its mark to promote athletic events. However, I do not consider this to be of significance under a s. 12(1)(d) ground of opposition. In any event, the evidence with respect to the Opponent's sponsorships is sparse.

the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

It matters not whether the Applicant considers the LA in its mark to be a reference to Los Angeles; what matters is how a typical Canadian consumer will respond to it. A Canadian's first reaction to LA SPORTS & Design may be to see it as an abbreviation for "Los Angeles sports", but it could also be to see it as "la sports", namely "the sports".

Although one might argue that the Opponent's mark might similarly be seen as "la gear", this interpretation seems less likely given the use of the periods in L.A. GEAR. However, it is to be remembered that the consumer to be considered is one who is in a hurry.

The Opponent submits that the word "gear" is often associated with sports, as in "sports gear". The Applicant points out that the word "gear" has other meanings that are not associated with sports, such as in a car gear. However, the Opponent has responded that when the Opponent's L.A. GEAR mark is associated with running shoes and athletic clothing, consumers will

naturally attribute the sports-related meaning of “gear” to its L.A. GEAR trade-mark. [See *Mitel Corp. v Registrar of Trade Marks* (1984), 79 CPR (2d) 202 (F.C.T.D.) at 208] I agree with the Opponent and therefore find that there is some resemblance between the ideas associated with the parties’ marks.

The Opponent also submitted that both marks suggest the lifestyle concept of Los Angeles, but there is no evidence that Canadians associate a certain lifestyle with LA or L.A.

Overall, I find that there is little resemblance between the marks visually, only a small degree of resemblance between them aurally and a somewhat greater degree of resemblance between them with respect to their associated ideas.

additional surrounding circumstances

i) state of the register or marketplace

State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located. [*Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432 (T.M.O.B.); *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D); *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)]

I find that the third party trade-mark registrations set out earlier are sufficient for me to infer that it is not uncommon to adopt a trade-mark that begins with L.A. or LA in association with clothing. However, the evidence does not support a conclusion that it is common to adopt such a mark for any of the wares listed in the Applicant’s application.

ii) lack of confusion

Mr. Simon refers to the peaceful co-existence of the parties’ marks in the United States and Japan and the Applicant relies on Mr. Justice Blais’ decision in *Kellogg Canada Inc. v. Weetabix of Canada Ltd.* (2002), 20 C.P.R. (4th) 17 (F.C.T.D.) at 26-27 for the proposition that coexistence of the parties’ marks abroad for many years is a good indication of the lack of possible confusion

between the marks here in Canada. However, although Mr. Simon states that the Applicant has used its mark on the applied for wares in Japan and the U.S. for more than 10 years and that the Opponent has registered its mark in those countries, there is very little evidence concerning the use by either party (Mr. Simon's evidence being primarily directed to the Applicant's mark being associated with the staging of sports events). In the absence of evidence of significant sales or promotion of the respective parties' marks abroad in association with the wares at issue, I am not prepared to accord the coexistence abroad any significant weight. I would also comment that coexistence abroad is typically not relevant in the absence of evidence that the environment abroad is similar to that in Canada, for example the state of the marketplace. In any event, Mr. Simon has not indicated that he would be informed if any instances of confusion were reported, resulting in his statement about not being aware of any instances of confusion being of dubious weight.

conclusion re likelihood of confusion

Having considered all of the surrounding circumstances, I conclude that the Applicant has not satisfied the burden on it to show that, on a balance of probabilities, there is not a reasonable likelihood of confusion between its Mark as applied to the wares "bags, namely athletic tote and shoulder bags" and the Opponent's L.A. GEAR mark as registered under No. 394,804 for, *inter alia*, "sports bags" as of today's date. I reach this conclusion primarily because of the direct overlap between the wares, the fact that only the Opponent's mark has acquired any reputation in Canada, and the resemblance between the marks in idea suggested. In view of the fairly low degree of resemblance between the marks, the outcome might have been different if the Applicant had actually used or promoted its Mark in Canada in the more than a decade that passed between the filing of its application and the conclusion of the opposition evidence stage.

The registrability ground of opposition based on registration No. 394,804 therefore succeeds with respect to "bags, namely athletic tote and shoulder bags". However, I find that the opposition fails with respect to the remaining wares; I am satisfied that there is not a reasonable likelihood of confusion in their regard primarily because such wares differ from those covered by the Opponent's registration No. 394,804. Although s. 6(2) indicates that confusion may be likely even when the wares are different, this is not such a case because of the fairly low resemblance

between the marks.

The Opponent's remaining registrations also do not cover "writing paper, envelopes, notepads, pens, pencils, luggage, lapel pins, buttons, mugs and cups". They therefore do not preclude the Applicant's registration of its Mark for such wares.

Distinctiveness Ground of Opposition

The issue of what is required in order for an Opponent to meet its initial burden with respect to a distinctiveness ground of opposition has been thoroughly canvassed by Mr. Justice Noël in the recent decision in *Bojangles' International, LLC and Bojangles Restaurants, Inc. v. Bojangles Café Ltd.* 2006 FC 657. At paragraphs 33-34, he summarizes the jurisprudence and reaches the underlined conclusion:

[33] The following propositions summarize the relevant jurisprudence on distinctiveness where there is an allegation that a mark's reputation negates another mark's distinctiveness, as per s. 2 and para. 38(2)(d) of the Act :

- The evidential burden lies on the party claiming that the reputation of its mark prevents the other party's mark from being distinctive;
- However, a burden remains on the applicant for the registration of the trade-mark to prove that its mark is distinctive;
- A mark should be known in Canada to some extent at least to negate another mark's distinctiveness;
- Alternatively, a mark could negate another mark's distinctiveness if it is well known in a specific area of Canada;
- A foreign trade-mark owner cannot simply assert that its trade-mark is known in Canada, rather, it should present clear evidence to that effect;
- The reputation of the mark can be proven by any means, and is not restricted to the specific means listed in section 5 of the Act, and it is for the decision-maker to weigh the evidence on a case-by-case basis.

In both the *Motel 6* and *Andres Wines* cases, the Courts noted that the evidence satisfied more than the jurisprudential requirement that the mark be known "to some extent at least" in Canada, and further mentioned that the mark was "well known" (*Andres Wines*). However, in order for an opposition to succeed, such a threshold need not be reached. The

expression "well known" should be avoided in describing the legal test, as the courts expressly stated in *Motel 6 and Andres Wines*. On the other hand, the expressions "substantial", "significant" (*Bousquet v. Barmish Inc.*, above, pp. 528 and 529) and "sufficiently [known] to negate the distinctiveness of the mark under attack" (*Motel 6*, at para. 41) were never said to be wrong. In my view, these expressions give a clearer meaning to the expression "to some extent at least" and it should be adopted as a complement to the legal standard set down by the Federal Court in *Motel 6* ("to some extent at least"). Like Justice Cullen, I believe this to be a "salutary principle" (See *Bousquet v. Barmish Inc.*, above, at p. 528).

[34] A mark must be known to some extent at least to negate the established distinctiveness of another mark, and its reputation in Canada should be substantial, significant or sufficient. This is consistent with the jurisprudence. To require that the reputation of the mark be "substantial", "significant" or "sufficient" is neither incompatible with the standard "to some extent at least" set out in *Motel 6*, above, nor is it contrary to the statements of the Federal Court of Appeal in *Andres Wines*, hence the Court's use of the expression "substantial number of Canadian viewers" to describe the evidence of the applicant with respect to T.V. advertising (see *Andres Wines*, at para. 19). Finally, I note that the Federal Court of Appeal did not disrupt the standard as set down by Justice Cullen in *Bousquet v. Barmish Inc.*, above (See *Bousquet v. Barmish Inc.*, [1993] F.C.J. No. 34).

[emphasis added]

I must therefore assess if the Opponent's evidence shows that one or more of its marks had a reputation in Canada that was either substantial, significant or sufficient as of July 29, 1996.

My review of the evidence leads me to conclude that the Opponent's evidence of sales and advertising in Canada of its L.A. GEAR trade-mark in Canada in association with footwear and apparel as of July 29, 1996 was sufficient to satisfy the Opponent's initial burden. Therefore, I must now assess whether the Applicant's Mark was nevertheless distinctive, in accordance with s. 2 of the Act, as of such date.

In the present case, the assessment of the distinctiveness of the Applicant's Mark takes the form of an analysis of the likelihood of it being confused with the opponent's L.A. GEAR mark. The discussion set out above with respect to the s. 12(1)(d) ground applies similarly here, provided one takes into account that the material date with respect to the distinctiveness ground is approximately ten years earlier and that the evidence of items other than apparel and footwear being distributed in association with the L.A. GEAR mark as of July 29, 1996 is scant. I am not prepared to conclude that the Opponent's activities in association with non-apparel/non-footwear

items was sufficient to impact on the distinctiveness of the Applicant's LA SPORTS & Design mark, as associated with the applied-for wares. Therefore, the question becomes whether there was a likelihood of confusion between LA SPORTS & Design writing paper, envelopes, notepads, pens, pencils; bags, namely athletic tote and shoulder bags; luggage, lapel pins, buttons, mugs and cups and L.A. GEAR footwear and clothing as of July 29, 1996. I find that the Applicant has satisfied its legal onus to show otherwise, largely as a result of the differences between the parties' wares and the evidence that other parties have adopted similar marks in the apparel field. Therefore, I find that the Applicant's Mark was capable of distinguishing its wares as of the material date, with the result that the distinctiveness ground of opposition is dismissed.

Before closing, I will confirm that I have not specifically addressed the outcome of the grounds of opposition in so far as they relate to the Opponent's other pleaded trade-marks and trade-name because the Opponent's position with respect to each of those trade-marks and trade-name is no better than that with respect to its L.A. GEAR trade-mark.

Disposition

Having been delegated by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, pursuant to s. 38(8) I refuse the application with respect to the wares "bags, namely athletic tote and shoulder bags" but reject the opposition with respect to the remaining wares. Authority for a split decision is set out in *Produits Ménagers Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 C.P.R. (3d) 492 (F.C.T.D.).

DATED AT TORONTO, ONTARIO, THIS 10th DAY OF JULY 2006.

Jill W. Bradbury
Member
Trade-marks Opposition Board