

**IN THE MATTER OF AN OPPOSITION
by Claude Montana to application
no. 701,953 for the mark MONTANA
SILVERSMITHS filed by Montana
Silversmiths, Inc.**

On March 27, 1992, the applicant, Montana Silversmiths, Inc., filed an application to register the mark MONTANA SILVERSMITHS based on use of the mark in Canada since 1978 in association with the following wares:

belt buckles, bolo ties, necklaces, earrings, scarf pins, collar tips,
barrettes, button covers, hat bands, rings, and saddle adornment.

An objection to the application was raised by the Examination Branch of the Trade-marks Office citing Section 12(1)(b) of the *Trade-marks Act*, that is, the subject mark was not registrable because it clearly describes that the applicant's wares are produced by silversmiths from Montana. As a consequence of this objection, the applicant requested that the subject application be considered under Section 12(2) of the *Act*. Sections 12(1)(b) and 12(2) are shown below:

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;

...

(2) A trade-mark that is not registrable by reason of paragraph (1)(a) or (b) is registrable if it has been so used in Canada by the applicant or his predecessor in title as to have become distinctive at the date of filing an application for its registration.

Section 32 of the *Act*, shown below, is also germane:

32. (1) An applicant who claims that his trade-mark is registrable under subsection 12(2) or section 13 shall furnish the Registrar with evidence by way of affidavit or statutory declaration establishing the extent to which and the time during which the trade-mark has been used in Canada and with any other evidence that the Registrar may require in support of the claim.

(2) The Registrar shall, having regard to the evidence adduced, restrict the registration to the wares or services in association with which the trade-mark is shown to have been so used as to have become distinctive and to the defined territorial area in Canada in which the trade-mark is shown to have become distinctive.

The applicant filed several affidavits pursuant to Section 32(1) namely, the affidavits of:

Bob Grummett (two affidavits)	dated December 3, 1992 and June 14, 1993
Marina Eckert	dated December 9, 1992
Vernal Elliot	dated December 7, 1992
Dale Claypool	dated December 7, 1992
Frank Fulop	dated December 1, 1992

Consequently, the application for the mark MONTANA SILVERSMITHS was approved for those provinces where the applicant had provided evidence that its mark was distinctive namely, the provinces of Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec and Saskatchewan. The subject application was then advertised for opposition purposes in the *Trade-marks Journal* issue dated March 23, 1994 and was opposed by Claude Montana on October 24, 1994. A copy of the statement of opposition was forwarded to the applicant on January 6, 1995. The applicant responded by filing and serving a counter statement.

The first ground of opposition alleges that the subject application does not comply with Section 30(b) of the *Act* because the applicant has not used its mark MONTANA SILVERSMITHS in Canada since 1978 as claimed in the subject application. In this regard, the opponent pleads that “The materials filed by the applicant during prosecution of the application [that is, pursuant to Section 32] . . . clearly show that the applicant has not used MONTANA SILVERSMITHS since the stated date, namely, 1978, in Canada on the specified wares.”

The second ground of opposition, pursuant to Section 12(1)(b) of the *Act*, alleges that the applied for mark is not registrable because it clearly describes that the applicant’s wares are produced by silversmiths from Montana.

The third ground of opposition, pursuant to Section 12(1)(d), alleges that the applied for mark is not registrable because it is confusing with the opponent’s mark CLAUDE MONTANA, registration no. 277,984, covering items of clothing, fabrics, and the like and the services of designing clothing.

The fourth ground of opposition, pursuant to Section 16(1)(a), alleges that the applicant is not entitled to registration because the applied for mark MONTANA SILVERSMITHS is

confusing with the opponent's mark CLAUDE MONTANA previously used and made known in Canada.

Lastly, the opponent alleges that the applied for mark is not distinctive of the applicant's wares in view of the opponent's prior use and making known of its mark CLAUDE MONTANA.

The opponent's evidence consists of a certified copy of registration no. 277,984 for its mark CLAUDE MONTANA and the affidavits of Clare Pommerencke, Michael Godwin and Paul Sharpe. Ms. Pommerencke was cross-examined on her affidavit and the transcript thereof forms part of the evidence of record. The applicant's evidence consists of the affidavits of:

Bob Grummett (two affidavits)	dated November 25, 1997 and January 20, 1998
Vern Elliot	dated September 16, 1997
Dale Claypool	dated September 12, 1997
Frank Fulop	dated September 12, 1997

Christopher Dejardin	dated December 5, 1998
Susan Brown	dated September 11, 1997
Bill Crosina	dated September 12, 1997
Vic Bennett	dated November 6, 1997

Mr. Grummett's affidavit dated January 20, 1998 merely serves to incorporate by reference his two earlier affidavits submitted at the examination stage. Both parties filed a written argument, however, only the applicant was represented at an oral hearing.

With respect to the first ground of opposition, the opponent alleges that the materials filed by the applicant at the examination stage, referred to earlier, show that the applied for mark MONTANA SILVERSMITHS was not used in Canada since the date claimed in the application namely, December 31, 1978. I do not agree. At worst, it may be said that such materials do not clearly demonstrate use of the mark in Canada prior to 1983. However, there is nothing in the materials filed at the examination stage that is inconsistent with a date of first use prior to 1983. Further, the opponent has not come forward with any of its own evidence to support its allegation. It should also be borne in mind that at the examination stage the applicant was not required to demonstrate that its mark was used in 1978, but only to show that its mark was distinctive as of March 1992. In any event, the unchallenged and uncontradicted evidence of Mr.

Grummett in his affidavit dated November 25, 1997 (at paragraphs 13, 28-30), or of Mr. Claypool in his affidavit dated September 12, 1997, or of Mr. Fulop in his affidavit dated September 12, 1997, independently suffice to establish, on a balance of probabilities, that the applicant used its mark MONTANA SILVERSMITHS in Canada since 1978. Accordingly, the first ground of opposition is rejected.

The second ground of opposition alleges that the applied for mark MONTANA SILVERSMITHS is not registrable because the mark clearly describes that the applicant's wares are made by silversmiths from Montana. As noted by the opponent in its written argument, the Registrar's initial decision to permit the mark MONTANA SILVERSMITHS to be advertised in the *Trade-marks Journal* does not prevent me from considering the distinctiveness of the mark, as of March 27, 1992, anew. In this regard, the decision to publish an otherwise descriptive mark based on evidence filed pursuant to Section 32 merely indicates that the Registrar is not satisfied that the mark is unregistrable; it is not a decision that the mark is registrable. In opposition proceedings the onus of proving the distinctiveness of the mark in order to claim the benefit of Section 12(2) remains on the applicant: see *Molson Breweries v. Canada (Registrar of Trade-marks)* (1992), 41 C.P.R.(3d) 234 at 240 (F.C.T.D.). Having regard to the clearly descriptive nature of the mark, and in accordance with the clear wording of Section 12(2), the issue of the distinctiveness of the applied for mark, arising pursuant to Section 12, is to be determined at the date of filing the application, in this case March 27, 1992.

Mr. Grummett's evidence filed at the examination stage, and refiled in the present opposition proceeding by incorporation into Mr. Grummett's affidavit dated January 20, 1998, may be summarized as follows. The applicant's mark is stamped on the back of the applicant's wares, except for smaller items such as earrings, necklaces and pins. For smaller items, the mark MONTANA SILVERSMITHS appears on accompanying gift packaging, price tags or 'thank you notes' which are inserted in all gift packaging. The applied for mark is advertised in 69 "western stores" in Canada through the use of a display case provided to retailers by the applicant. The case is 6 feet by 4 feet and made of oak and glass; an 8" by 40" stamp of the mark appears on the display case. By "western stores," it appears that Mr. Grummett is referring to stores that

specialize in western style clothing and accessories and/or horse riding gear. In addition to other advertising (mostly relating to the United States), the applicant's mark is advertised in consumer and trade magazines such as *Horse and Rider*, *Quarter Horse Journal*, and *Tack N Togs* which are received by Canadians. The wholesale value of sales of the applicant's wares in Canada amounted to about \$660,000 US in 1991. The total wholesale value for the applicant's wares sold in Canada for the period 1983 - 1990 amounted to about \$2.2 million US. Advertising expenses in Canada for the applicant's mark was about \$11,000 US in 1991 while advertising for the period 1983 - 1990 amounted to about \$90,000 US. The applicant is unable to provide sales and advertising figures for individual provinces in Canada, but is able to approximate such values by relating sales and advertising to the number of retail outlets in each province. In this regard, as of June 14, 1993, there were 105 outlets in Alberta (47%); 55 outlets in British Columbia (24%); 23 outlets in Ontario (10%); 25 outlets in Saskatchewan (11%); and 17 outlets in Manitoba, Quebec and Nova Scotia combined (8%).

Paragraphs 3 - 5 of Mr. Fulop's affidavit dated September 12, 1997 are shown below.

Paragraph 4 of Mr. Bennett's affidavit, shown below, discusses the popularity of the applicant's wares:

In view of the evidence of Mr. Grummett and Mr. Fulop and discussed above, as well as the affidavit evidence of Messrs. Crosina, Elliott, Claypool and Ms. Brown filed in this opposition proceeding, I am satisfied that the applied for mark MONTANA SILVERSMITHS was distinctive of the applicant's wares, as of March 27, 1992, in the provinces of Alberta and British Columbia. In this regard, I find that the applicant has shown that its mark MONTANA SILVERSMITHS had acquired a significant reputation for its products in a limited specialty market. However, despite persuasive argument by counsel for the applicant, I am uncertain whether the applicant's relatively low sales under its mark in the provinces of Saskatchewan, Ontario, Manitoba, Quebec and Nova Scotia can justify a finding that the applicant's mark had become distinctive of the applicant's wares in those provinces as of the material date. As the onus is on the applicant to establish the distinctiveness of its mark, such doubt must be resolved against the applicant.

Accordingly, the second ground of opposition is partially successful.

I would add that while Mr. Grummett's affidavit dated November 25, 1997 provides a

detailed and comprehensive accounting of the applicant's business activities in the United States and Canada, most of the information in the affidavit relating to sales and advertising under the mark MONTANA SILVERSMITHS concerns the time period 1993 and later. Thus, Mr. Grummett's affidavit dated November 25, 1997 does little to assist the applicant in establishing the distinctiveness of its mark in Canada as of the material date March 1992.

About one week before the oral hearing, the applicant submitted additional evidence pertaining to the third ground of opposition. Such evidence consisted of certified copies of documents in the Registrar's care relating to registration no. 277, 984, which registration the opponent relies on to support the third ground of opposition. As the documents were important to the applicant's case, and, pursuant to Section 54 of the *Act*, may be considered as evidence of the facts set out therein, I granted the applicant's request to file additional evidence at the oral hearing. Most germane to the third ground of opposition is a recent certified copy of regn. no. 277,984 (standing in the name of the opponent Claude Montana) indicating that the registration had been expunged on October 15, 1999. As the material date with respect to a ground of opposition based on Section 12(1)(d) is the date of my decision, the third ground of opposition must fail as the registration relied upon by the opponent is no longer extant.

The fourth ground of opposition alleges that the applicant is not entitled to register the applied for mark MONTANA SILVERSMITHS. There are evidential requirements imposed on the opponent by virtue of Sections 16(1) and 17(1) of the *Act* namely, the opponent is required to demonstrate that (i) its mark CLAUDE MONTANA was used or made known in Canada before the applicant commenced to use its mark MONTANA SILVERSMITHS in Canada, that is, before December 31, 1978, and (ii) its mark CLAUDE MONTANA was not abandoned as of the date of advertisement of the applied for mark MONTANA SILVERSMITHS on March 23, 1994. As the opponent has not advanced sufficient evidence to establish use or making known in Canada of its mark CLAUDE MONTANA prior to December 31, 1978, the fourth ground of opposition is rejected.

The last ground of opposition alleging non-distinctiveness of the applied for mark turns

on the issue of confusion between the mark MONTANA SILVERSMITHS and the opponent's mark CLAUDE MONTANA. The material date to assess the issue of confusion arising pursuant to the last ground of opposition alleging non-distinctiveness is the date of opposition, in this case October 24, 1994: for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v. Canadian Retired Persons* (1998), 84 C.P.R.(3d) 198 at 206 - 209 (F.C.T.D.).

The legal onus is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of Section 6(2), between the applied for mark MONTANA SILVERSMITHS, used in association with the wares specified in the subject application, and the opponent's mark CLAUDE MONTANA used in association with clothing, footwear and accessories such as belts and leather fashions. The presence of an onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant: see *John Labatt Ltd. v. Molson Companies Ltd.* (1990) 30 C.P.R.(3d) 293 at 297-298 (F.C.T.D.). The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are set out in Section 6(5) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive; all relevant factors are to be considered. All factors do not necessarily have equal weight. The weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.).

The mark CLAUDE MONTANA possesses little inherent distinctiveness because it is the name of a person, while the mark MONTANA SILVERSMITHS possesses minimal inherent distinctiveness because it is clearly descriptive of the applicant's wares. Ms. Pommerencke's evidence is that "sales of CLAUDE MONTANA wearing apparel" in Canada averaged about \$660,000 (CDN) annually for the period 1988 - 1995 inclusive. Thus, it would appear that the opponent's mark CLAUDE MONTANA acquired a fair reputation in Canada in association with clothing and footwear as a result of sales and advertising in Canada. However, a review of the

exhibit material attached to Ms. Pommerencke's affidavit indicates that a significant portion of the opponent's sales and advertising is under the mark MONTANA (in a stylized form) rather than under the mark CLAUDE MONTANA. Accordingly, the reputation that can be attributed to the mark CLAUDE MONTANA is considerably lessened. I would also mention that as the opponent did not plead use or making known of its mark MONTANA in the statement of opposition, the opponent cannot rely on its mark MONTANA as a basis for a ground of opposition: see *Imperial Developments Ltd. v. Imperial Oil Limited* (1984), 79 C.P.R. (2d) 12 at 19-21 (F.C.T.D.). The applied for mark MONTANA SILVERSMITHS acquired a fair reputation in Canada as of October 1994 owing to the applicant's continuous sales and advertising in Canada from 1978 on.

The length of time that the marks in issue have been in use in Canada favours the applicant to some extent. The applicant sells western style clothing accessories, jewelry and saddle adornment while the opponent sells fashion clothing and fashion footwear. In my view the parties' wares are not closely related but are directed to different market segments. Based on the evidence presented in this proceeding, I find it unlikely that the parties' wares would be sold through the same retail outlets. With respect to the degree of resemblance between the marks in issue, there are visual and aural similarities owing to the word MONTANA common to the marks MONTANA SILVERSMITHS and CLAUDE MONTANA. However, the applied for mark suggests the idea of "silversmiths from Montana" while the opponent's mark suggests the name of a person.

Considering the above, I am satisfied that the applicant has shown, on a balance of probabilities, that its mark MONTANA SILVERSMITHS was not confusing with the opponent's mark CLAUDE MONTANA as of the material date October 24, 1994. Thus, the final ground of opposition is rejected. I would also add that there is some evidence indicating that a third party namely, the corporate entity Claude Montana S.A., was selling perfumery and soap in Canada commencing in 1985 under the mark CLAUDE MONTANA. Such activity would have diminished the distinctiveness of the opponent's mark CLAUDE MONTANA and bolsters the applicant's position that the applied for mark is distinctive of the applicant's wares.

In the result, the subject application will in due course proceed to allowance in respect of the provinces of Alberta and British Columbia.

DATED AT HULL, QUEBEC, THIS 18th DAY OF NOVEMBER, 1999.

Myer Herzig,
Member,
Trade-marks Opposition Board