

**LE REGISTRAIRE DES MARQUES DE COMMERCE  
THE REGISTRAR OF TRADE-MARKS**

**Citation: 2015 TMOB 9  
Date of Decision: 2015-01-16**

**IN THE MATTER OF AN OPPOSITION by  
Industria de Diseno Textil, S.A. to application  
No. 1,582,505 for the trade-mark ZARA in the  
name of ZARA NATURAL STONES INC.**

Introduction

[1] Industria de Diseno Textil, S.A. (the Opponent) opposes registration of the trade-mark ZARA (the Mark) that is the subject of application No. 1,582,505 by ZARA NATURAL STONES INC. (the Applicant).

[2] The application was filed on June 18, 2012 based on use in Canada since at least as early as August 29, 2011 in association with the following wares:

Paving blocks, namely, calibrated paver paving blocks, circular paving block kits, cobble paving blocks, octagonal paving block kits, paving and garden slab blocks, paving blocks with brushed top, paving blocks with sandblasted top, random flagstone paving blocks or crazy paving blocks, square cut flagstone paving blocks, tumbled paving blocks.

Paving stones, namely, calibrated paver paving stones, circular paving stone kits, cobbled paving stones, octagonal paving stone kits, paving and garden slab stones, paving stones with brushed top, paving stones with sandblasted top, random flagstone paving stones or crazy paving stones, square cut flagstone paving stones, tumbled paving stones.

Paving tiles, namely, calibrated paver paving tiles, circular paving stone kits, cobbled paving tiles, octagonal paving stone kits, paving and garden slab tiles, paving tiles with brushed top, paving tiles with sandblasted top, random flagstone paving tiles or crazy paving tiles, square cut flagstone paving tiles, tumbled paving tiles.

Stones, namely, bull nosed coping stones, curb stones, edging stones, hand dressed coping stones, kerb stones, natural hand bull nosed pier cap stones, pedestrian zone, park and garden wall and

masonry stones, pool coping stones, step pier cap stone with hand chiseling, step pier cap stone with molded edges, step smooth pier cap stones, stepping stones, smooth globe pier cap stones, stones for the construction of ledge rock, stones for the construction of steps, stones for the construction of wall stone, wall coping stones (the Wares).

[3] The opposition was brought by the Opponent under section 38 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act). The grounds of opposition pleaded in an amended statement of opposition filed by the Opponent can be grouped under three categories: those pertaining to non-conformity issues under section 30 of the Act; those pertaining to non-distinctiveness of the Marks under sections 2, 48 and 50 of the Act; and those revolving around the likelihood of confusion between the Mark and the Opponent's trade-marks made up of the word ZARA that are listed in the attached Annex A as well as the Opponent's trade name Zara. The grounds of opposition are detailed in Annex B to this decision.

[4] For the reasons explained below, I find that the ground of opposition based upon section 16(1)(b) of the Act is by itself determinative and that the application ought to be refused.

#### The Record

[5] The statement of opposition was filed on February 21, 2013 and amended on January 7, 2014 with leave from the Registrar. The Applicant filed and served a counter statement in which it denied each and every grounds of opposition pleaded by the Opponent.

[6] On May 14, 2013, the Opponent filed as partial evidence the affidavit of Marie-Pier Desbiens, an articling student employed by the Opponent's agent as well as a certificate of authenticity for some of the registered trade-marks alleged in its statement of opposition.

[7] On August 29, 2013, the Opponent filed the remainder of its evidence comprising the affidavit of Rosemarie Isabel Santos, Managing Director of ZARA Canada Inc. (ZARA Canada), which is a wholly-owned subsidiary of the Opponent.

[8] On December 18, 2013, the Applicant filed as its evidence the affidavit of Hasnain Ali Khatau, the Applicant's President.

[9] Both parties filed written argument, although I shall indicate that the Opponent's written argument consist of only two paragraphs, the content of which did not assist the undersigned. A hearing was held at which both parties were represented.

#### The parties' respective burden or onus

[10] The legal onus is on the Applicant to show that its applications do not contravene the provisions of the Act as alleged in the statement of opposition. This means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the Applicant. However, there is also an evidential burden on the Opponent to prove the facts inherent to its pleadings. The presence of an evidential burden on the Opponent means that in order for a ground of opposition to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA); and *Wrangler Apparel Corp v The Timberland Company* (2005), 41 CPR (4th) 223 (FCTD)].

#### Preliminary remarks

[11] A couple of issues occurred at the hearing that needs to be addressed. As mentioned previously, the Opponent filed a written argument that was of little, if not of no assistance to the Applicant and the undersigned in the preparation of the hearing. At the beginning of the hearing I pointed out to the Opponent that it seems from the evidence it filed that its trade-mark ZARA appears to be used in association with articles of clothing and the operation of retail clothing stores. Therefore I was curious to hear what the Opponent had to say about the nature of the parties respective wares (articles of clothing on one hand and stones on the other hand) and their respective channels of trade given the content of the Santos affidavit which focused on the Opponent's commercial activities, namely the operation of high-fashion clothing retail outlets under the trade-mark ZARA.

[12] It was then for the first time that the Opponent pointed out that pending application No 1,191,134 for the trade-mark ZARA HOME cited in its statement of opposition, which covers wares enumerated over 10 pages (see pages 55 to 65 inclusive to Desbiens affidavit), contains

embedded therein ‘floor coverings namely: floor planks, pavement tiles...’ (see page 60 of Desbiens affidavit). As a result the ground of opposition under section 16(1)(b) of the Act will be crucial to the outcome of this opposition, I pointed out to the Opponent at the hearing, that it would have been helpful, and in the spirit of canvassing the real issues for the hearing, if it had indicated that important fact in its written argument.

[13] On the other hand, the Applicant raised for the first time at the hearing that the Opponent did not rely on section 16(1) of the Act in its statement of opposition but rather on section 16(3) which is not applicable in this case as the application was filed on the basis of use in Canada. The Opponent replied by verbally requesting permission to amend its statement of opposition so that any reference to section 16(3) would be replaced by section 16(1) of the Act. Before I rule on this issue, I wish to mention that nowhere in its written argument had the Applicant made mention of this defect.

#### Application to amend the statement of opposition

[14] The *Practice Notice in Trade-mark Opposition Proceedings* in effect as of March 31, 2009 sets out the relevant criteria to take into consideration in determining if leave to amend a statement of opposition should be granted. They are:

1. the stage the opposition proceeding has reached;
2. why the amendment was not made or the evidence not filed earlier;
3. the importance of the amendment or the evidence; and
4. the prejudice which will be suffered by the other party.

[15] Obviously we are at a very late stage of the opposition proceeding. No explanation has been provided by the Opponent as to why the amendment was not made earlier, especially considering the fact that the Opponent had already once amended its statement of opposition to bring it up to date as one of its pending applications, on which it relied upon under its section 16 ground of opposition, had matured to registration.

[16] There is no question that the amendment is important. As for the prejudice that would be suffered by the Applicant if the amendment is granted, it would be minimal for the following reasons. The Opponent clearly indicated in its statement of opposition that the application was

filed on the basis of use in Canada. In its counter statement the Applicant replied to the grounds of opposition in issue in the following words:

The Applicant states and the fact is that the Applicant is the person entitled to registration having regard to provisions of Section 16 of the *Act* in that at the relevant date, the applied for mark was not confusing with .....

[17] The Applicant makes reference in its counter statement to section 16 in general as opposed to section 16(3) pleaded by the Opponent and does refer to ‘the relevant date’ without specifying such date. Finally, in its written argument the Opponent states in paragraph 7.1:

7.1 The principal grounds of opposition relate to confusion pursuant to Section 12(1)(d) and non-entitlement pursuant to Section 16 of the *Act*. In other words, the question is whether or not the services of the Applicant, in association with its trade-mark, would be likely to lead to confusion with the wares sold and the services performed by the Opponent in Canada, in association with its trade-marks.

[18] The Applicant knew what the Opponent was raising as grounds of opposition. The Applicant was aware at all times that the Opponent was going to rely on the ground of opposition commonly known as ‘non-entitlement’. The Opponent intended to rely on section 16(1) of the *Act* and the reference to section 16(3) of the *Act* is merely a typographical error.

[19] Under these circumstances, since the effect of the last two criteria outweighs the adverse effect on the Opponent of the first two, I am granting leave to the Opponent to amend its statement of opposition such that any reference to ‘section 16(3)’ of the *Act* therein should read ‘section 16(1)’.

#### Grounds of opposition summarily dismissed

[20] At the hearing the Opponent limited its arguments to the grounds of opposition based on the likelihood of confusion between the Mark and the Opponent’s trade-marks (entitlement, registrability and distinctiveness). No representations were made with respect to the technical grounds of opposition based on the alleged deficiencies in the application (section 30 grounds of opposition). The Opponent has not filed any evidence to meet its initial evidential burden with respect to those grounds of opposition. The same applies to the two prongs of the distinctiveness

ground of opposition based on non-compliance to section 50 of the Act. All these grounds of opposition are dismissed (grounds 1 through 5 inclusive and 11b) and c) as detailed in Annex B).

[21] As for the ground of opposition based on the introductory paragraph of section 16(1) of the Act, it does not form the basis of a ground of opposition as defined in section 38(2) of the Act since section 16(1) as a whole relates to the non-entitlement ground of opposition. Accordingly I dismiss the ground of opposition based solely on the introductory paragraph of section 16(1) of the Act (number 10 in Annex B).

[22] The Opponent has raised the ground of opposition based on section 16(1)(c) of the Act, namely that, at the alleged date of first use of the Mark, it was creating confusion with the Opponent's trade name Zara. However there is no evidence of use by the Opponent or its licensees of the trade name Zara in Canada. What will be described in details below is use of the trade-mark ZARA in association with the operation of high-fashion retail clothing stores. Consequently that ground of opposition is also dismissed.

[23] What remains to be decided are grounds of opposition number 6 to 8 inclusive (i.e. registrability under section 12(1)(d) and entitlement under sections 16(1)(a) and (b) of the Act) as well as 11(a) (distinctiveness) as described in Annex B.

#### The relevant dates

[24] The relevant date for the analysis of each ground of opposition varies depending on the ground of opposition to be assessed:


- The registrability of the Mark under section 12(1)(d) of the Act: The date of the Registrar's decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 at 424 (FCA)];
- Entitlement to the registration of the Mark, where the application is based on use: The alleged date of first use (August 29, 2011) [see section 16(1) of the Act];
- Distinctiveness of the Mark: The filing date of the statement of opposition (February 21, 2013) is generally accepted to be the relevant date [see *Andres Wines Ltd and E & J Gallo*]

*Winery* (1975), 25 CPR (2d) 126 at 130 (FCA) and *Metro-Goldwyn-Meyer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FCTD)].

[25] As stated by the Opponent at the hearing, the difference in the relevant dates associated to the remaining grounds of opposition will not have an impact on the outcome of these grounds of opposition. Consequently, my analysis of the criteria under section 6(5) of the Act will be common for all of these grounds of opposition, with the exception of the section 16(1)(b) ground of opposition which I will treat separately.

Registrability (section 12(1)(d)); entitlement (section 16(1)(a)); and distinctiveness

[26] The Opponent filed as part of its evidence certificates of authenticity for the following trade-mark registrations:

Trade-mark	Reg. No.
TEXTURES ZARA	TMA747356
ZARA BASIC	TMA546483
ZARA HOME	TMA839945
ZARA	TMA531098
	TMA534585
ZARA	TMA865313

However, other registrations have been cited by the Opponent in its statement of opposition. The Registrar has discretion to check the register and I did so [see *Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. I confirm that all registrations listed in the Opponent’s statement of opposition are extant. I consider that the Opponent has met its initial burden with respect to the ground of opposition under section 12(1)(d) of the Act.

[27] From the list of registrations owned by the Opponent and enumerated in its statement of opposition, the Opponent has the best chance of success under the ground of opposition based on section 12(1)(d) with its registrations TMA531,098 (ZARA); TMA865313 (ZARA);

TMA513,706 (ZARA); TMA557,205 (ZARA); TMA526,805 (ZARA) and TMA839,945 (ZARA HOME). The other registered trade-marks cited by the Opponent under this ground of opposition contain a distinctive design feature and/or additional words that decreases the degree of resemblance between those marks.

[28] The test to determine the likelihood of confusion is set out in section 6(2) of the Act wherein it is stipulated that the use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would likely lead to the inference that the wares associated with those trade-marks are manufactured, sold or leased by the same person, whether or not the wares are of the same general class. The test under section 6(2) of the Act does not concern the confusion of the marks themselves, but confusion of goods or services from one source as being from another source. In making such assessment I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5): the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time the trade-marks have been in use; the nature of the wares or business; the nature of the trade; and the degree of resemblance between the trade-marks in appearance, or sound or in the ideas suggested by them.

[29] Those criteria are not exhaustive and it is not necessary to give each one of them equal weight [see *Clorox Co v Sears Canada Inc* (1992), 41 CPR (3d) 483 (FCTD) and *Gainers Inc v Marchildon* (1996), 66 CPR (3d) 308 (FCTD)]. I also refer to the decisions of the Supreme Court of Canada in *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC) and *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al* (2006), 49 CPR (4th) 401 (SCC) where Mr. Justice Binnie commented on the assessment of the criteria enumerated under section 6(5) of the Act to determine if there is a likelihood of confusion between two trade-marks.

[30] Also, as stated by the Supreme Court of Canada in *Masterpiece Inc v Alavida Lifestyles Inc et al* (2011), 96 CPR (4th) 361 (SCC), in the majority of cases, the degree of resemblance between the marks in issue is the most important factor. The other factors become significant only once the marks are found to be identical or very similar as in our situation.



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

[31] The Applicant argues that Zara is commonly known as a first name. No evidence has been filed to support such contention except for an allegation made by Mr. Kathau in his affidavit, that Zara is also a common first name for women, including the name of the daughter of the Prophet Muhammad (PBUH). At the hearing the Applicant argued that it did not need to put into evidence such fact. Even if I were to accept Mr. Kathau's statement on the meaning of the word 'Zara', there is no evidence to support the Applicant's contention that it is commonly known by Canadians as a first name.

[32] In its written argument the Applicant refers to the online dictionary at <http://dictionary.reference.com> where Zara is defined as the former name for Zadar, a picturesque historical town in Croatia, the former capital of Dalmatia.

[33] Since I have no evidence to support the allegation that Zara is a common first name or that the average consumer would associate that name to an historical town in Croatia, I consider the trade-mark ZARA to possess some degree of inherent distinctiveness. Even if I was wrong on this issue, and thus the trade-mark ZARA could be considered as a weak trade-mark, it would not have an impact on the outcome of my decision.

[34] The degree of distinctiveness of a trade-mark may be enhanced through its use or promotion in Canada.

[35] Ms. Santos alleges that Zara Canada is a subsidiary of the Opponent. She states that the Opponent is one of the largest fashion distributors and the third largest clothing retailer, with more than 5618 stores in 84 countries. The first ZARA store opened in 1975 in Spain.

[36] Ms. Santos alleges that the Opponent operates eight (8) brands/ banners of retail stores, ZARA being the Opponent's 'largest retail store formats'. It is a high-fashion concept offering clothing, footwear and accessories for women, men and children, as well as gift cards and services of alterations and adjustments of clothes, all under the banner ZARA. It opened its first store in Canada in Montreal in 1999. She asserts that there are 1659 ZARA stores and 315 ZARA HOME

stores worldwide. There is no allegation that there would be ZARA HOME stores operated in Canada. There are currently 22 ZARA stores located throughout Canada in cities such as Montreal, Toronto, Calgary, Edmonton, and Vancouver.

[37] As for the use of the mark ZARA in Canada, Ms. Santos explains that the Opponent granted a license to ITX Merken B.V. regarding the use of the trade-mark ZARA in Canada and in turn ITX Merken B.V. granted a sublicense to Zara Canada. Both ITX Merken B.V. and Zara Canada are wholly owned subsidiaries of the Opponent. She asserts that under both the license and sublicense the Opponent has direct control over the character or quality of the products manufactured and sold and the services performed under the trade-mark ZARA in Canada.

[38] In paragraph 16 of her affidavit Ms. Santos provides the yearly sales figures for the Canadian market for the sale of ZARA branded products in ZARA stores in Canada from 1999 to 2012 which vary from close to \$2 million to over \$217 million. There is no breakdown of these sales figures per product. Ms. Santos only referred in her affidavit in general terms to clothing, footwear and accessories as well as gift cards and services of alterations and adjustments of clothes.

[39] Ms. Santos asserts that advertising and promotional activities take the form of design and architecture of stores; window display and presentation of its stores; production and distribution of online brochures, information sheets and posters displayed in the stores; and website promotion.

[40] Ms. Santos states that the Opponent operates a website, available at *www.zara.com* through which it continuously advertises its products and services. She provides the traffic for the years 2009, 2011 and 2012 in Canada and for the months of April 2010, June 2012 and February 2013 in Canada. She filed random sampling of screen shots of pages extracted from said website as they appeared in 2011.

[41] From this evidence I conclude that the Opponent's trade-mark ZARA is known in Canada in association with the operation of high-fashion retail stores offering for sale clothing, footwear and accessories for women, men and children.

[42] Mr. Khatau does not explain in details the nature of the Applicant's business. However from the pictures attached to his affidavit and the extracts of the Applicant's website attached to his affidavit, I have determined that:

- The Applicant was established in 2011, primarily as a distributor of imported natural stones;
- The Applicant sells and offers for sale various type of blocks and stones.

[43] I note that Mr. Khatau states in his affidavit:

- The invoices sent to the customers bear the trade-mark ZARA NATURAL STONES & Design as illustrated below:



- A label is attached to the Wares when they are sold which bears the ZARA NATURAL STONES & Design trade-mark;
- The Wares are stack in stone yards and sold by the Applicant directly to home owners, contractors and garden centres and delivered by trucks that bear the ZARA NATURAL STONES & Design trade-mark;
- The Applicant has spent \$3,000 on advertising and signage. Samples of those signs and advertisements bearing the ZARA NATURAL STONES & Design mark have been filed;
- The Applicant does not operate a retail store.

[44] I consider the use of the trade-mark ZARA NATURAL STONES & Design not to be use of the Mark [see *Canada (Registrar of Trade-marks) v Cie Internationale pour l'informatique CII Honeywell Bull, SA* (1985), CPR (3d) 523 (FCA)] since each letter of the word ZARA is written in dark and appears in a white diamond figure while Natural Stones is written in white and in a dark separate rectangle. These features are as dominant as the word ZARA.

[45] I may add that even If I were wrong in concluding that the use of ZARA NATURAL STONES & Design does not constitute use of the Mark, such conclusion does not affect the outcome of this opposition as it will appear from my assessment of the ground of opposition based

on section 16(1)(b) of the Act. In any event, Mr. Kathau has not provided any sales figures. Consequently I would not be able to measure the extent to which the Mark has become known in Canada since 2011.

[46] In all, I consider the factor enunciated in section 6(5)(a) of the Act to favour the Opponent.

*The length of time the marks in issue have been in use*

[47] There is no evidence of use of the Mark in association with the Wares within the meaning of section 4(1) of the Act, namely no evidence that there has been a transfer of property from the Applicant to customers of the Wares in association with the Mark. On the other hand I have evidence of use of the Opponent's trade-mark ZARA in Canada in association with the operation of high-fashion retail stores since 1999.

[48] Consequently this factor also favours the Opponent.

*The nature of the wares and services and the parties' respective channels of trade*

[49] Given that the Mark is identical to some of the Opponent's registered trade-marks, these factors will have an important bearing on the outcome of these grounds of opposition.

[50] Under the section 12(1)(d) ground of opposition I must compare the Wares as described in the application with the wares and services covered by the Opponent's registrations [see *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 at 10-11 (FCA); *Henkel Kommanditgesellschaft v Super Dragon* (1986), 12 CPR (3d) 110 at 112 (FCA); *Miss Universe Inc v Dale Bohna* (1994), 58 CPR (3d) 381 at 390-392 (FCA)]. However, those statements must be read with a view to determine the probable type of business or trade. Evidence of the parties' actual trades is useful in this respect. [see *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)].

[51] As mentioned before, the Opponent owns several registrations for the trade-mark ZARA. Registration TMA531,098 covers the operation of retail shops for leather and imitation of leather

products, clothing, footwear and headgear. As for registration TMA534,585 it covers similar services as well as transportation of goods and/or passengers by air, boat, rail and road; and warehouse storage. Registration TMA513,706 covers leather and imitation of leather; registration TMA557,205 covers office supply products; registration TMA526,805 covers dresses. None of those wares and services overlaps or is similar to the Wares.

[52] The Opponent also relies on to trade-mark ZARA HOME, registration No. TMA839,455 which covers: Paints, varnishes, lacquers; preservatives against rust and against deterioration of wood. There is no evidence of use of that trade-mark in Canada in association with any of the wares covered by that registration. Therefore under section 16(1) (a) the Opponent cannot rely on prior use of such trade-mark. Nevertheless under section 12(1)(d), those wares are covered by that certificate of registration and must be taken into consideration under this ground of opposition.

[53] Given that I must compare the Wares with the Opponent's aforesaid products having in mind the type of business of the parties derived from the evidence filed, I consider that there is no overlap between the Wares and the Opponent's aforesaid products listed under that registration.

[54] The Wares are sold in stone yards to contractors, garden centres and the like. They are delivered by trucks bearing the Mark and packaged in wood crates. The Opponent operates its high-fashion ZARA retail stores on main streets in important cities in Canada. There is no evidence that the Opponent operates hardware stores in Canada under the trade-mark ZARA or ZARA HOME.

[55] In all, not only do I consider the Wares to be different than the wares covered by registration TMA839,455 but the parties' channels of trade would be different as the Opponent's products would be sold most likely either in hardware stores and/or its retail outlets.

[56] These important factors favour the Applicant.

#### *Degree of resemblance*

[57] The Mark is identical to the Opponent's trade-mark ZARA. As for a comparison with the Opponent's trade-mark ZARA HOME the Mark is identical to the first and dominant portion of that Opponent's trade-mark. This factor favours the Opponent.

*Additional surrounding circumstances*

[58] The Applicant argues that there have been no instances of confusion even though the Applicant's Mark has been in use since at least August 29, 2011. Mr. Kathau has made no allegation to that effect. Also, there is no evidence of the extent to which the Mark has been used in Canada in association with the Wares. Even if there were an allegation concerning the absence of instances of confusion, the test under section 6(5) of the Act is with respect to the likelihood of confusion and not actual confusion between the marks in issue.

*Additional comments*

[59] Under the ground of opposition based on section 16(1)(a) of the Act, the Opponent has met its initial burden of proof only insofar as the word trade-mark ZARA is concerned. There is no evidence of use or making known in Canada of any other trade-marks. The analysis of the relevant factors detailed above would lead to the same conclusion insofar as the trade-mark ZARA is concerned. As for the other marks listed under section 16(1)(a) ground of opposition, the Opponent has not discharged its initial burden under that ground of opposition.

[60] The same reasoning applies to the ground of opposition based on the lack of distinctiveness of the Mark in view of the prior use of the Opponent's trade-marks. The Opponent has met its initial burden of proof to demonstrate that its trade-mark ZARA was known in Canada in association with the operation of high-fashion clothing retail stores [see *Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 at 58 (FCTD)].

[61] There is no evidence of prior use in Canada of any of the Opponent's other trade-marks, which comprise the word element ZARA. As such the Opponent has not met its initial burden of proof, in so far as that ground of opposition is concerned, with respect to these other marks.

*Conclusion*

[62] From my analysis of the relevant factors I conclude that the Applicant has discharged its burden to prove, on a balance of probabilities, that the use of the Mark is not likely to cause confusion with any of the Opponent's trade-marks.

[63] Consequently I dismiss the grounds of opposition based on sections 12(1)(d), 16(1)(a) and 2 (distinctiveness) of the Act.

Entitlement ground of opposition based on section 16(1)(b) of the Act

[64] The last ground of opposition to be decided is based on the previously filed application No. 1,191,134 for the trade-mark ZARA HOME. An extract of the Canadian register with respect to that application is part of Ms. Desbiens' affidavit. It was still pending at the advertisement date of the present application [see section 16(4) of the Act]. Consequently the Opponent has met its initial burden.

[65] The application covers a long list of wares and services. For the purpose of this decision suffice to say that it covers: floor coverings, namely: floor planks, pavement tiles.

[66] My analysis of the relevant factors done under the previous heading still applies except for the following distinctions.

[67] On inherent distinctiveness and the extent to which the parties' trade-marks have become known, this factor does not favour any of the parties. There is no evidence of use of the trade-mark ZARA HOME in Canada or the extent to which it has become known in Canada prior to the relevant date.

[68] As for the period of time the parties' trade-marks have been in use as of the relevant date, namely the alleged date of first use of the Mark, as stated earlier there is no evidence of use of the Opponent's trade-mark ZARA HOME in Canada. Again this factor does not favour any of the parties.

[69] On the issue of the parties' wares and services and their channels of trade, there is clearly an overlap between pavement tiles and the Wares. To minimize such factor the Applicant argued at the hearing that there is no evidence that the Opponent's tiles have been sold in Canada. Moreover if they were ever sold in Canada it would be in their retail stores and thus the channel of trade would be different than the one used by the Applicant and described previously.

[70] I already considered the fact that there is no evidence of use of the Opponent's trade-mark ZARA HOME under the previous factor. I fail to see how the absence of use of the Opponent's trade-mark ZARA HOME would be relevant in the analysis of these factors.

[71] As for the assertion that the Opponent's tiles would be sold in its retail stores, it is pure speculation. The nature of the wares in issue, in all probabilities, dictates the channels of trade through which they would be sold. I understand that the Applicant has shown that it sells its Wares in stone yards and so could be the Opponent's tiles in association with the trade-mark ZARA HOME.

[72] Finally I consider the marks in issue to resemble one another. The dominant portion of the trade-mark ZARA HOME is the first component ZARA. It has been said that the first component of a trade-mark is often the most important one [see *Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD);]. The Mark is identical to the dominant and first portion of the Opponent's trade-mark ZARA HOME. This important factor favours the Opponent.

### *Conclusion*

[73] I conclude that the Applicant has not discharged its burden to prove at the relevant date, on a balance of probabilities, that the Mark was not likely to cause confusion with the Opponent's trade-mark ZARA HOME, which was the subject of a previously filed application. I base my conclusion on the fact that the marks do resemble one another and that there is clearly an overlap between the Wares and the Opponent's pavement tiles.

[74] I therefore maintain this ground of opposition.




Disposition

[75] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

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Jean Carrière  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office

**Annex A**

Trade-mark	Reg. No.
TEXTURES ZARA	747356
ZARA BASIC	546483
ZARA HOME	839945
ZARA	531098
	534585
ZARA	865313
ZARA Design	526538
ZARA	513706
ZARA	557205
ZARA	526805

## Annex B

1. The application does not comply with the requirements of section 30(e) of the *Trade-marks Act* RSC 1985, c T-13, (the Act) in that the Applicant at the filing date of the application was already using the Mark in Canada;
2. The application does not comply with the requirements of section 30(e) and (h) of the Act in that the trade-mark proposed to be used in Canada is not the Mark but another, different from the one referred to in the application;
3. The application does not comply with the requirements of section 30(e) of the Act in that the Applicant at the filing date of the application never intended to use itself or through a licensee the Mark in Canada with each of the wares referred in the application;
4. The statement that the Applicant is satisfied as to its entitlement to the use of the Mark in Canada is false in view of the content of the present opposition, including the knowledge of the Applicant of the rights of the Opponent as herein alleged and the unlawfulness of said use contrary to section 30(i) of the Act, if any, as:
  - a) such use would be violating the proprietary rights, as alleged therein, of the Opponent;
  - b) such use would, with the Applicant's knowledge have the effect of depreciating the value of the goodwill attaching to the trade-marks alleged by the Opponent, contrary to section 22 of the Act;
  - c) such use would, with the Applicant's knowledge, direct public attention to Applicant's wares, in such a way as to cause confusion in Canada between these wares, and those of the Opponent as well as its services and business contrary to section 7(b) of the Act;
5. The application does not contain a statement in ordinary commercial terms of the specific wares in association with which the Mark is proposed to be used, namely: paving and garden slab blocks, random flagstone paving blocks or crazy paving blocks, paving and garden slab stones, random flagstone paving stones or crazy paving stones, paving and garden slab tiles, and random flagstone paving tiles or crazy paving tiles;
6. The Mark is not registrable in view of section 12(1)(d) of the Act since the Mark is confusing with the Opponent's registered trade-marks:
  - TEXTURE ZARA, certificate of registration TMA747356;
  - ZARA, certificate of registration TMA 526805;

- ZARA DESIGN, registration TMA526538
  - ZARA, registration TMA513706
  - ZARA, registration TMA557205;
  - ZARA, registration TMA531098;
  - ZARA & DESIGN, registration TMA534585;
  - ZARA BASIC, registration TMA546483;
  - ZARA HOME, registration TMA839945;
  - ZARA, registration TMA865313
7. The Applicant is not the person entitled to the registration of the Mark pursuant to section 16(3)(a) of the Act in that at the filing date of the application the Mark was confusing with the trade-marks mentioned above that had been previously used in Canada or made known in Canada by the Opponent or its predecessors in title in association with the wares mentioned above;
8. The Applicant is not the person entitled to the registration of the Mark pursuant to section 16(3)(b) of the Act in that at the filing date of the application the Mark was confusing with the following trade-marks for which applications have been previously filed, namely:
- ZARA, application 1020931
  - ZARA, application 1028780;
  - ZARA, application 1478638;
  - ZARA BABY, application 1522907;
  - ZARA FOR MUM, application 1493680
  - ZARA HOME, application 1191134;
  - ZARA KIDS, application 1215860;
  - ZARA MAN, application 1522906;
  - ZARA WOMAN, application 1522904.
9. The Applicant is not the person entitled to the registration of the Mark pursuant to section 16(3)(c) of the Act in that at the filing date of the application the Mark was confusing with the trade-name ZARA previously used in Canada by the Opponent, its predecessors

in title or for their benefit, by licensees in association with wares and services covered by the Opponent's registrations and applications mentioned above;

10. The Applicant is not the person entitled to the registration of the Mark pursuant to the introductory paragraph of section 16(3) of the Act in that the application does not comply with the requirements of section 30 of the Act; the Mark is not a proposed one but rather an used one, in whole or in part; and the Mark is not registrable or does not function as a trade-mark, namely that the Mark does not or is not adapted to distinguish the wares of the Applicant from those of others, being solely functional or merely decorative, and the Applicant is not a person;
11. Pursuant to section 38(2)(d) of the Act, the Mark is not distinctive of the wares or services of the Applicant since:
  - a) The Mark does not actually distinguish the wares or services in association with which the Mark is used or proposed to be used by the Applicant from the wares or services of the Opponent, nor is adapted to so distinguish them in view of the above;
  - b) The Applicant allowed third parties, including Zara Natural Stone Pavers Inc., Hasnain Ali and Inayat Stone Industries to use in Canada the Mark and in fact those third parties used it outside the scope of protection of section 50 of the Act;
  - c) Subsequent to its transfer, there remains rights belonging to two or more persons including Zara Natural Stone Pavers Inc., Hasnain Ali and Inayat Stone Industries, into the use of the Mark and those rights were exercised par those people concurrently, the whole in contravention to section 50 of the Act;