



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

Citation: 2010 TMOB 71
Date of Decision: 2010-06-02

**IN THE MATTER OF AN OPPOSITION
by Black Box Inc. to application
No. 1212629 for the trade-mark P ZERO
in the name of Benisti Import-Export Inc.**

[1] On April 7, 2004, Benisti Import-Export Inc. (the Applicant), filed an application to register the trade-mark P ZERO based upon use of the trade-mark in Canada since January 1, 2002, in association with the following wares (as amended):

- (1) Men's, women's and children's garments, namely; jackets, pants, t-shirts, shirts, jeans, hats, caps, undergarments, underwear, dresses, skirts, bathing suits, shorts, vests, blouses, scarves, jump suits, sweaters and pullovers.
- (2) Shoes namely; boots, shoes, running shoes, sport shoes, sandals and slippers.
- (3) Accessories namely; watches.

[2] On February 28, 2005, Black Box Inc. (the Opponent) filed a statement of opposition against the above noted application. The grounds of opposition for each mark are based on non-compliance with the requirements of s. 30(b) and s. 30(i) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act), non-registrability pursuant to s. 12(1)(d), non-entitlement pursuant to s. 16(1)(a), (b) and (c) and non-distinctiveness. Most of these grounds are based on confusion with the Opponent's ZERO trade-mark (Registration No. TMA 575,741) for skateboards and skateboard accessories including wheels and bearings, and the Opponent's previous use of the

trade-mark and trade-name ZERO in association with clothing, namely shirts, T-shirts, sweatshirts, pants, shorts, jackets, hats, caps, belts; skateboards and skateboard accessories including wheels and bearings.

[3] The Applicant filed and served a counter statement in which it denied the Opponent's allegations. As its evidence, the Opponent filed the affidavit of Jamie Thomas. The Applicant's evidence consisted of the affidavit of Mario Morellato. The Opponent also filed a second affidavit of Mr. Thomas as additional evidence.

[4] Neither affiant was cross-examined. Both parties filed a written argument and an oral hearing was conducted at which only the Opponent was represented.

Onus and Material Dates

[5] 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 Ltd v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298; *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)].

[6] The material dates that apply to the grounds of opposition are as follows:

- s. 30 - the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.) at 475];
- s. 12(1)(d) - the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)];
- s. 16(1) - the Applicant's date of first use [see s. 16(1)];
- non-distinctiveness - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)].

Preliminary Issue

[7] At the oral hearing, the agent for the Opponent noted that the Opponent was formally withdrawing the grounds of opposition based on s. 16(1)(b) and s. 16(1)(c) of the Act. The Opponent's fifth and sixth grounds of opposition will therefore not be considered.

Previous Decision

[8] Much of the affidavit evidence filed by the parties in the present case consists of materials filed in a previous decision of the Registrar involving the same parties and the trade-marks ZERO NINETEEN and ZERO NINETEEN and Design [see *Black Box Inc. v. Benisti Import-Export Inc.* (October 28, 2009 T.M.O.B. (unreported) application Nos. 1,146,016 and 1,146,481)] (the ZERO NINETEEN decision). While the marks and wares at issue in the present proceeding are different, the issues in the present proceeding do not materially differ from those in the earlier oppositions. I will therefore refer to that decision where I consider it appropriate to do so.

Section 30(b) Ground of Opposition

[9] The Opponent pleads that the application does not conform to the requirements of s. 30(b) in that the Applicant's trade-mark has not been used in Canada in association with the wares listed in the application since the date of first use alleged in the application. To the extent that the relevant facts with respect to this ground of opposition are more readily available to the Applicant, the evidentiary burden on the Opponent with respect to this ground of opposition is lower, and can be met by reference to the Applicant's own evidence [see *Tune Masters v. Mr. P's Mastertune Ignition Services Ltd.* (1986), 10 C.P.R. (3d) 84 (T.M.O.B.); *Labatt Brewing Company Limited v. Molson Breweries, a Partnership* (1996), 68 C.P.R. (3d) 216 (F.C.T.D.)]. In such a case, however, the Opponent must show that the evidence is clearly inconsistent with the Applicant's claims as set forth in its application [see *Ivey Lea Shirt Co. v. 1227624 Ontario Ltd.* (1999), 2 C.P.R. (4th) 562 (T.M.O.B.) at 565-566, affirmed 11 C.P.R. (4th) 489 (F.C.T.D.)].

[10] From the evidence furnished, I am not satisfied that the Opponent has met its initial burden with respect to s. 30(b). I discussed the present Opponent's burden under this ground of

opposition as follows at paragraphs 10 – 12 of the ZERO NINETEEN decision:

The Opponent submits that since it raised the s. 30(b) ground in its statements of opposition, the onus was shifted to the Applicant to show continuous use of the Applicant's trade-marks since the date claimed. I respectfully disagree.

In order to meet its burden under this ground, it was up to the Opponent to either file evidence that raises doubt with respect to the Applicant's claim that its marks were first used on January 1, 2002, or point to enough ambiguities or inconsistencies in the Applicant's evidence to cast doubt on the veracity of the Applicant's claimed date of first use. Although I agree with the Opponent that Mr. Morellato does not provide any documentary evidence showing use of either of the Applicant's trade-marks at issue pursuant to s. 4 of the Act, Mr. Morellato testifies that the Applicant's trade-marks have been in use by the Applicant since at least January 1, 2002. From the remainder of Mr. Morellato's affidavit, I have no reason to doubt that when he says the Applicant's trade-marks have been used in association with the applied for wares and services, he understands what qualifies as use pursuant to s. 4. While I do agree with the Opponent that it is curious that Mr. Morellato only attached examples of advertising of its POINT ZERO trade-mark to his affidavit, this fact alone in my view does not raise any doubt about the veracity of the Applicant's claim that it has used its trade-marks since as early as January 1, 2002.

As a result, since the Opponent did not raise any doubt about the veracity of the Applicant's claim that it had used its trade-marks since as early as January 1, 2002, the Applicant was not obliged to evidence the use of its trade-marks since such date. If the Opponent wished to pursue this issue, it could have chosen to cross-examine Mr. Morellato. This ground of opposition is therefore unsuccessful in both cases.

[11] In view of the above, and in view that the Opponent's argument and the Applicant's evidence in the present case regarding this issue are the same, I have concluded that the Opponent has not met its burden under this ground of opposition. This ground of opposition therefore fails.

Section 30(i) Ground of Opposition

[12] 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 [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152

(T.M.O.B.) at 155]. As this is not such an exceptional case as there is no evidence of bad faith, I am dismissing this ground of opposition.

Section 38(2)(d) Ground of Opposition

[13] The Opponent has pleaded under this ground that the Applicant's trade-mark is either not adapted to distinguish or not capable of distinguishing the wares in association with which it has allegedly been used by the Applicant from the Opponent's wares. In considering whether the Applicant's trade-mark is distinctive, one may consider whether it is likely to cause confusion with the Opponent's ZERO mark.

[14] In order to meet its evidential burden with respect to this ground, the Opponent must show that as of the filing of the opposition its trade-mark ZERO had become known sufficiently to negate the distinctiveness of the Applicant's trade-mark [see *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D.); *Re Andres Wines Ltd. and E. & J. Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.); and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 412 at 424 (F.C.A.)]. While the trade-mark's reputation in Canada should be substantial, significant or sufficient, it need not be well known in Canada [see *Bojangles International, LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.T.D.)].

[15] In view of the Thomas affidavits, and in line with the reasoning in the ZERO NINETEEN decision, I am able to conclude that the Opponent's ZERO mark has become sufficiently known in Canada in order to negate the distinctiveness of the Applicant's trade-mark. In this regard, Mr. Thomas states that the Opponent, through its predecessor-in-title Tum Yeto, has been using the trade-mark ZERO in Canada in association with clothing items, backpacks, bags, wallets, skateboards and skateboard accessories since as early as 1996. To corroborate this assertion, attached to the second affidavit of Mr. Thomas as Exhibit A is an invoice dated January 22, 1996, from Tum Yeto to its Canadian distributor Ultimate Skateboard Dist. Inc. in Richmond, B.C. for various "ZERO associated clothing". The invoice does not identify the nature of any of the ZERO wares that it lists. Wares including skateboards, skateboard accessories, t-shirts, sweatshirts, pants, shorts, jackets, hats, caps, belts, backpacks, bags, bracelets and wallets displaying the Opponent's ZERO mark are, however, depicted in catalogues for the years 2003-

2005, attached as Exhibits N through T to his affidavit. Mr. Thomas explains that these catalogues are either distributed by the Canadian distributor or mailed out directly to customers. At paragraph 8 of his affidavit, Mr. Thomas states that the Canadian sales for wares bearing the trade-mark ZERO for the years 2002, 2003 and 2004 were \$390,854, \$724,616 and \$676,337, respectively, but he does not provide a break down for these sales figures. Further, Mr. Thomas explains at paragraph 10 that his company has spent approximately \$25,000 marketing wares bearing the trade-mark ZERO in Canada since 2002 to the present, although I note that most of the advertisements for the Opponent's mark appear in magazines published for the skateboard enthusiast. From the evidence furnished, I am satisfied that the Opponent has met its burden under this ground of opposition.

[16] In view of the above, the legal burden is on the Applicant to satisfy the Registrar that its trade-mark is adapted to distinguish its wares throughout Canada. In considering the issue of distinctiveness, it is useful to assess whether there would have been a reasonable likelihood of confusion between the marks within the scope of s. 6(2) and s. 6(5) of the Act, as of the date of opposition.

[17] 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: a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; b) the length of time each has been in use; c) the nature of the wares, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight.

[18] The Supreme Court of Canada has discussed the appropriate process for assessing all the surrounding circumstances to be considered in determining whether two trade-marks are

confusing in its decisions in *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée et al.* (2006), 49 C.P.R. (4th) 401. It is with these general principles in mind that I shall now assess all of the surrounding circumstances.

[19] Marks comprised of numerals are inherently weak [see *Pepsico v. Daiwa* 80 C.P.R. (2d) 160 (T.M.O.B.)]. In the present case, both the Applicant's P ZERO mark and the Opponent's ZERO mark are comprised of numbers and therefore possess very little distinctiveness. As alphabet letters are also inherently weak, the letter P in front of the word ZERO in the Applicant's mark does not do much to increase the inherent distinctiveness of the Applicant's mark [see *GSW Ltd. v. Great West Steel Industries Ltd.* (1975), 22 C.P.R. (2d) 154 (F.C.T.D.)].

[20] The strength of a trade-mark may be increased by means of it becoming known through promotion or use. The Opponent's mark has become known to some extent in Canada. While the Applicant has filed considerable evidence concerning its POINT ZERO trade-mark, there are only five examples of the mark P ZERO, three of which are undated advertisements and two of which appear to be photographs of the front and back of hang tags (although I note that these hangtags are not identified as such by Mr. Morellato in his affidavit). As the Applicant's evidence does not allow me to draw any conclusions with respect to the extent to which the Applicant's P ZERO trade-mark has been used or made known in Canada, this factor favours the Opponent.

[21] The length of time that each mark has been in use favours the Opponent.

[22] As noted previously, the wares at issue in the present case are slightly different from the wares that were at issue in the ZERO NINETEEN decision. In this regard, the applied for clothing wares in the present case include: jackets, pants, t-shirts, shirts, jeans, hats, caps, undergarments, underwear, dresses, skirts, bathing suits, shorts, vests, blouses, scarves, jump suits, sweaters and pullovers. The applied for wares also include shoes, namely: boots, shoes, running shoes, sport shoes, sandals and slippers; and accessories, namely watches.

[23] While the Opponent does not provide a breakdown of sales for the various clothing wares it has sold in association with its ZERO mark, the clothing wares which appear in the 2002-2003 catalogue attached as Exhibit N to Mr. Thomas' first affidavit include: t-shirts, sweatshirts,

hoodies, windbreakers, caps, hats, socks, belts and jeans, and the accessories include bags, backpacks, sweat or wrist bands, buttons, wallets, rings and patches. The Opponent has also shown use of its mark with skateboards, and most of the clothing appears to be clothing that is intended to be used in association with the activity of skateboarding.

[24] In my view, the Applicant's jackets, pants, t-shirts, shirts, jeans, hats, bathing suits, caps, vests and shorts overlap with the Opponent's clothing wares as they are, for the most part, either clothes that could be worn while skateboarding or clothes that could fall into the general category of "sporting goods". I also agree with the Opponent that the Applicant's running shoes and sport shoes overlap with the Opponent's skateboards because both are in the same category of "sporting goods". I will refer to all of these wares collectively as "the overlapping wares".

[25] With respect to the remaining wares, I do not consider the Applicant's undergarments, underwear, dresses, skirts, blouses, scarves, jump suits, sweaters and pullovers to be similar to the Opponent's clothing wares because they would not likely be clothes intended to be worn while skateboarding or clothes that would fall into the category of "sporting goods". I also disagree with the Opponent that the Applicant's watches would overlap with the Opponent's "sweat or wrist bands" as I consider these wares to be considerably different from each other.

[26] With respect to the parties' channels of trade, it appears from the evidence furnished that the Opponent's core business is the sale of skateboards and related accessories. In this regard, according to Mr. Thomas, since 2005, the ZERO wares have been intentionally distributed only to specialized skate shops such as The Source in Calgary, RDS Skate Supply in Vancouver and Hammer Skateboard Shop in Toronto. The Opponent's wares are also sold on the Internet through various third parties.

[27] As I held in my previous ZERO NINETEEN decision, however, since the Applicant's application does not include any limitations with respect to its channels of trade, nothing would prevent the Applicant's overlapping wares from being sold in the same types of places where the Opponent's wares are typically sold.

[28] As I have found that the remaining wares in the Applicant's application differ from the Opponent's wares, I consider that the channels of trade for these wares and services would likely be different than those of the Opponent.

[29] It is a well-accepted principle that the first portion of a trade-mark is the most relevant for the purposes of distinction [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.) at 188]. However, I consider the importance of the first element in this case (i.e. the letter P) to be diminished because it is inherently weak. In view that the remainder of the Applicant's mark incorporates the Opponent's mark in its entirety, there is still a reasonable degree of resemblance between this mark and the Opponent's mark in appearance, sound and ideas suggested.

[30] As a further surrounding circumstance, the Applicant raised the issue of the lawfulness of the Opponent's use of its mark. The Applicant argued that the Opponent's registration of the mark ZERO (TMA 575,741) and its application to register the trade-mark ZERO for clothing wares (Application No. 1,233,575) clearly infringe upon the Applicant's rights derived from its use of the trade-mark POINT ZERO (TMA 309,311) since 1984.

[31] In line with my reasoning in the ZERO NINETEEN decision, while I agree with the Applicant that an Opponent should not be allowed to rely on infringing activities in order to form the basis for opposing an application [see *Lunettes Cartier Ltée v. Cartier, Inc.* (1991), 36 C.P.R. (3d) 391 (T.M.O.B.)], in the present case there is no finding of infringement by any court, or any evidence that a court action has been commenced. I therefore cannot consider the Applicant's allegation as a relevant surrounding circumstance for the present cases.

[32] The Applicant has also submitted that its right to use the P ZERO trade-mark with the applied for wares is derived from the rights it has acquired since 1984 through the use of its trade-mark POINT ZERO (TMA 309,311), registered in association with similar wares. I respectfully disagree with the Applicant on this point as s.19 of the Act does not give the owner of a registration the automatic right to obtain any further registrations no matter how closely the Applicant's trade-mark may be related to the trade-mark covered in the original registration [see *Groupe Lavo Inc. v. Procter & Gamble Inc.* (1990), 32 C.P.R. (3d) 533 (T.M.O.B.) at p. 538].

[33] The issue is whether a consumer who has a general and not precise recollection of the Opponent's ZERO mark, will, upon seeing the Applicant's P ZERO mark, be likely to think that the overlapping wares share a common source. I find that the Applicant has not met the onus to show, on a balance of probabilities, that there would be no reasonable likelihood of confusion between the marks at issue, in so far as the parties' overlapping wares are concerned. However, I do not consider that there would be any reasonable likelihood of confusion between the Opponent's mark and the Applicant's marks with respect to (1) men's, women's and children's garments, namely: undergarments, underwear, dresses, skirts, blouses, scarves, jump suits, sweaters, pullovers; (2) Shoes, namely boots, shoes, sandals and slippers (3) Accessories, namely watches.

Section 16(1)(a) Ground of Opposition

[34] The Opponent has further pleaded that the Applicant is not the person entitled to registration of the Applicant's trade-mark in view of s. 16(1)(a) because the Applicant's trade-mark is confusingly similar to the Opponent's ZERO trade-mark which has been previously used in Canada and which had not been abandoned at the Applicant's date of first use. I am satisfied from the evidence furnished that the Opponent has discharged its evidential burden with respect to this ground of opposition.

[35] My conclusions above regarding the issue of confusion are for the most part also applicable to this ground of opposition. The ground of opposition based on s.16 succeeds in part because the Applicant has not satisfied the legal onus on it to establish that there would be no reasonable likelihood of confusion between its mark and the Opponent's mark in so far as the overlapping wares are concerned.

Section 12(1)(d) Ground of Opposition

[36] As the opposition has succeeded on two grounds, I do not consider it necessary to deal with the s. 12(1)(d) ground of opposition.

Disposition

[37] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application with respect to the wares “jackets, pants, t-shirts, shirts, jeans, hats, caps, bathing suits, vests and shorts, running shoes, sport shoes” and I reject the opposition with respect to the remainder of the wares pursuant to s. 38(8) of the Act [see *Produits Menagers Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 C.P.R. (3d) 492 (F.C.T.D.) as authority for a split decision].

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