

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

Reference: 2014 TMOB 24 Date of Decision: 2014-02-05

**TRANSLATION** 

IN THE MATTER OF THE OPPOSITION submitted by Winners Merchants International L.P. against registration application No. 1,307,881 for the SSENSE trade-mark in the name of Groupe Atallah Inc./Atallah Group Inc.

#### **Introduction**

- [1] Winners Merchants International L.P. (the Opponent) opposes registration of the SSENSE trade-mark (the Mark) covered by application No. 1,307,881 in the name of Groupe Atallah Inc./Atallah Group Inc. (the Applicant).
- This application was filed on July 4, 2006 and was originally based on the use of the Mark in Canada since April 30, 2004 in association with numerous items of men's, women's and children's clothing, shoes and accessories, and with sales services for the same items in-store and online. The statement of wares and services covered by the application was subsequently amended several times. The latest amendment was on November 23, 2012, when the Applicant submitted, at its own initiative, an application to amend the registration (accepted by the registrar on December 5, 2012) ultimately restricting the statement of wares and services to only services for "the in-store sale of men's and women's clothing, accessories and shoes" (hereinafter the Services).
- [3] The Opponent bases its opposition on various grounds centred around the issue of compliance of the application with Section 30 of the *Trade-marks Act*, RSC 1985, c T-13 (the

Act), i.e. the issue of the likelihood of confusion between the Mark and one or more of the HOMESENSE; HOMESENSE & Design; HOMESENSE HOME FASHIONS FOR LESS. EVERY DAY. & Design; HOMESENSE. DECO MODE A MEILLEUR PRIX.; and STYLESENSE trade-marks, registered or not, belonging to the Opponent and having been claimed to have been used in Canada by the latter in association, in general, with major retail store services.

[4] Such as it will stem from my analysis, I consider there is reason to reject all of the grounds of opposition.

#### The file

- [5] The statement of opposition was submitted on May 5, 2010. The Applicant filed a counter-statement denying each of the grounds of opposition argued.
- In support of its opposition, the Opponent filed affidavits by Leslie J. Root, the Opponent's Vice-president, Marketing, sworn on November 26, 2010; Anthony Kunkel, Vice-president and Executive Director of the firm Mitchell Partners Investigation Services, sworn on November 19, 2010; and René Bissonnette, law student employed by the firm representing the Opponent in this opposition, sworn on November 26, 2010, as well as certificates of authenticity related to the registrations for the following trade-marks: 611946 HOMESENSE; 624306 HOME SENSE HOME FASHIONS FOR LESS. EVERY DAY. & Design; 665281 HOMESENSE. DECO MODE À MEILLEUR PRIX.; and 711429 HOMESENSE & Design. The details of these registrations are presented in the appendix to my decision.
- [7] In support of its application, the Applicant submitted an affidavit by its vice-president, Firas Atallah, sworn on March 23, 2011. Mr. Atallah was cross-examined and a transcript of this cross-examination and the exhibits and answers to the undertakings made during the latter have been placed in the file.
- [8] Each of the parties submitted a written argument and was represented at the hearing held in this file.

#### The burden incumbent on the Parties

[9] It is initially for the Opponent to establish the well-foundedness of its opposition. However, the legal onus of showing that the Mark is registrable falls to the Applicant, according to the balance of probabilities [see *John Labatt Ltd v. Molson Companies Ltd* (1990), 30 CPR (3d) 293 (CF 1st. inst.); and *Dion Neckwear Ltd v. Christian Dior, SA et al.* (2002), 20 CPR (4th) 155 (FCA)].

#### Analysis

[10] I will begin my analysis in regard to the grounds of opposition based on Section 30 of the Act.

Grounds based on non-compliance of the application within the meaning of Section 30 of the Act

- [11] These grounds are of two types:
  - the application contravenes Section 30(b) of the Act in that the Applicant has not used the Mark in Canada in association with the Services since the date of the first use claimed in the application; and
  - the application contravenes Section 30(i) of the Act in that the Applicant could not be convinced of having the right to use the Mark in Canada in association with the Services since, on the date of filing its application, the Applicant knew of or should have known of the HOMESENSE and HOMESENSE HOME FASHIONS FOR LESS. EVERY DAY. & Design trade-marks previously used in Canada by the Opponent in association with men's, women's and children' clothing and in association with major retail store services.

Ground based on the absence of use of the Mark within the meaning of Section 30(b) of the Act

[12] As mentioned above, the statement of wares and services covered by this application was amended several times. The latest amendment was filed following the Opponent's evidence and the cross-examination of Mr. Atallah calling into question the date of the first use of the Mark with each category of the wares and services originally covered by the application [see

specifically the affidavits by Mr. Kunkel and Mr. Bissonnette, and the answers to Q. 58-60, 229-234 and 266 reproduced in the transcript of Mr. Atallah's cross-examination].

- [13] Given the Applicant's latest amendments to this application, the Opponent, at the start of the hearing, conceded that it was not calling into question Mr. Atallah's testimony to the effect that the Applicant's Services began on April 30, 2004. The issue at dispute is rather to determine the extent to which these services have, in fact, been marketed in association with the Mark as such, and not with another mark, since the date of first use claimed in the application.
- Insofar as the Applicant has easy access to the relevant facts related to a ground of opposition based on Section 30(b) of the Act, the burden of proof incumbent on the Opponent regarding this ground is less demanding [see *Tune Masters v. Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB)]. Furthermore, the Opponent can use the Applicant's evidence, provided, however, that this evidence is clearly incompatible with the claims of the latter [see *York Barbell Holdings Ltd v. ICON Health & Fitness, Inc* (2001), 13 CPR (4th) 156 (TMOB)]. Section 30(b) of the Act requires the trade-mark covered by the application to have been used continuously since the claimed date as at the filing date of the application [see *Labatt Brewing Co v. Benson & Hedges (Canada) Ltd* (1996), 67 CPR (3d) 258 (CF 1st. inst)].
- In this case, the Opponent bases itself on Mr. Atallah's testimony and claims that it is clearly incompatible with the date of first use claimed in the application, since it does not show use of the Mark as such, but rather use of one or more other trade-marks, namely SISENSE; S:SENSE; S.SENSE; S/SENSE; and S-SENSE, according to some of the reproductions below taken from the exhibits attached to Mr. Atallah's affidavit:

S:SENSE 227 NOTRE-DAME OUEST MONTREAL/QUEBEC , H2Y 1T4 TEL.: (514) 282-7130

(see Exhibit FA-5)

RELEVE DE TRANSACTION
S.SENSE
227 NOTRE-DAME WES H2Y1T4
MONTREAL QC
21063396

(see Exhibit FA-5)

S/SENSE 227 Notre-Dame West Montreal, H2Y 1TA (514) 282-7130

SSENSE

(see Exhibit FA-5)

(see Exhibit FA-7 below, the "SSENSE" logo)

- The Applicant concedes that the only specimens showing use of the Mark for the years 2004 to 2009 are those reproduced above, most especially the SSENSE logo. However, it submits that such use is equivalent to use of the Mark, it being an issue of permitted variants of the SSENSE word mark. Furthermore, the Applicant submits that it enjoys a degree of latitude regarding the manner in which the Mark can be used, since a word mark offers its holder the largest possible protection and allows it some flexibility in how it uses the mark, provided it retains its identity [see *Registrar of Trade-marks v. Compagnie Internationale pour l'informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA); and *Nightingale Interloc v. Prodesign* (1984), 2 CPR (3d) 535 (TMOB)]. I agree.
- [17] It stems from Mr. Atallah's testimony that the Mark was used in the form of the SSENSE logo reproduced above at the start of its use in 2004 and up to 2009 [see specifically the answers to Q. 172-173 of the transcript of his cross-examination].
- [18] More specifically, the mark displayed on the front of the Applicant's store at this time corresponded to the SSENSE logo incorporating a vertical pale gray line separating the first two "S." As it was impossible to reproduce this logo on the Applicant's cash receipts or on the invoices issued by third-parties, various punctuation marks such as ":", "." and "/" were used by the Applicant and these third-parties in order to convey the notion of the figurative element

constituted by the vertical line. It is appropriate on this point to focus on the fact that these references to S:SENSE, S.SENSE and S/SENSE were not representative of the logo adopted for the store. This point stems clearly from the explanations provided by Mr. Atallah under cross-examination and is also supported by the advertising specimens reproduced under exhibit FA-7 published during the first year of existence of the Applicant's SSENSE store [see specifically the answers to Q. 76, 82-86, 115, 122 and 172-174].

- The Opponent submits that it might have been easier to simply to describe the Mark on the cash receipts as SSENSE, without having recourse to various punctuation marks. It submits that the mark adopted and used by the Applicant on the date of the first claimed use by the latter has never consisted in the Mark as such but rather in another mark, always comprising a separation or an intervening element between the first two "S." The Opponent also submits that the Applicant itself felt the need to use various punctuation marks to describe the SSENSE logo used at the time of opening its store and up to 2009, and that the company names used by the latter included specifically "BOUTIQUE S.SENSE" and "S.SENSE INC" [see Exhibits FA-1 and FA-7].
- [20] Although the Opponent's representations are not without merit, it should be recalled that the mark used in the advertising and the provision of the Applicant's services for the period between 2004 and 2009 was always that represented by the SSENSE logo. This logo was displayed on the front of the store and in newspaper advertising. It also stems from Mr. Atallah's testimony that this advertising had also been used at the time via the Applicant's former website, www.ssense.ca, whose domain name was registered on May 20, 2004 [see Q. 224-242 of the transcript of Mr. Atallah's cross-examination]. Under the circumstances, I deem that use of the various punctuation marks identified by the Opponent on the Applicant's cash receipts cannot take precedence over use of the SSENSE logo in the advertising and the provision of the Services.
- [21] Considering more specifically the SSENSE logo, I believe that the figurative element comprising the pale gray vertical line does not constitute a dominant element. This vertical line is slender and discreet with respect to the font used and has no meaning in itself. At most, this vertical line forces an unnecessary "pause" in order to pronounce the mark as the word

"ESSENCE." Accordingly, I believe that the SSENSE logo considered overall does not represent a separate mark from the Mark within the meaning of the *Honeywell Bull* cased cited above. In other words, I agree with the Applicant that the use of the SSENSE logo is equivalent to use of the Mark. As indicated above, the Applicant enjoys a degree of latitude regarding the manner in which the Mark can be used. Although any variation in the use of a trade-mark may carry a risk, I believe that the use shown in this case cannot, according to the balance of probabilities, cause the Mark to lose its identity.

- [22] Since I conclude that the use of the SSENSE logo is equivalent to use of the Mark, I believe that it is unnecessary for me to rule on the S:SENSE, S.SENSE and S/SENSE variants.
- [23] Given the above, I reject the ground of opposition based on Section 30(b) of the Act.

Ground of opposition based on non-compliance of the application within the meaning of Section 30(i) of the Act.

[24] Once an applicant has filed the statement required under Section 30(i) of the Act requiring it to be convinced that it has the right to use the trade-mark covered by its application, a ground of opposition based on such section should only be accepted in exceptional cases, for example when the evidence shows that the applicant was acting in bad faith [see *Sapodilla Co Ltd v. Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB)]. Since there is nothing to show that the Applicant was acting in bad faith in this case, this ground of opposition must be rejected.

Grounds of opposition based on the issue of possible confusion between the Mark and one of more of the Opponent's marks

- [25] These grounds, as argued, are of three types:
  - the Mark is not registrable within the meaning of Section 12(1)(d) of the Act since it causes confusion with the Opponent's registered HOMESENSE (611946) and HOMESENSE HOME FASHIONS FOR LESS. EVERY DAY. & Design (624306) trade-marks;

- The Applicant is not the person entitled to register the Mark pursuant to Section 16(1) of the Act because on the date of first use claimed by the Applicant, the Mark was causing confusion with the Opponent's HOMESENSE and HOMESENSE HOME FASHIONS FOR LESS. EVERYDAY & Design trade-marks, previously used in Canada; and
- the Mark is not distinctive within the meaning of Section 2 of the Act in that it is not suited to distinguish the Applicant's Services from those of the Opponent provided in association with the HOMESENSE & Design, HOMESENSE, DECO MODE À MEILLEUR PRIX and STYLESENSE trade-marks.
- [26] As it will stem from my analysis, although the confusion test remains the same, the initial burden of proof incumbent on the Opponent and the relevant applicable dates vary according to each of these grounds. I will begin my analysis in regard to the ground based on the non-registrability of the Mark.

# Ground based on the non-registrability of the Mark within the meaning of Section 12(1)(d) of the Act.

- [27] The relevant date for deciding on a ground of opposition based on the non-registrability of a trade-mark in regard to the confusion created with a registered trade-mark is the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 (FCA)]. I exercised my discretion and checked that each of the HOMESENSE (611946) and HOMESENSE HOME FASHIONS FOR LESS. EVERY DAY. & Design (624306) registrations claimed by the Opponent in support of this ground were still in effect on the Trade-marks Register. Since this is the case, the Opponent has met its initial incumbent burden of proof. The Applicant must now show, according to the balance of probabilities, that there is no risk of confusion between the Mark and these marks registered by the Opponent.
- [28] Except where indicated otherwise, I will focus my analysis on the Opponent's HOMESENSE mark. If I conclude in the absence of a probability of confusion between this mark and the Mark, there would be no stronger probability of confusion between the Mark and the HOMESENSE HOME FASHIONS FOR LESS. EVERY DAY. & Design mark, which is further distanced from the Mark.

[29] Moreover, contrary to the Opponent's representations contained in its written arguments, this ground is restricted to the two registrations mentioned above and in no way covers the STYLESENSE mark. It is incumbent on the Opponent to submit an amended statement of opposition should it wish to claim this mark as a registered mark in support of this ground of opposition [see *Imperial Developments Ltd v. Imperial Oil Limited* (1984), 79 CPR (2d) 12 (CF 1st. inst.)].

#### The confusion test

- [30] The test in terms of confusion is that of first impression and imperfect recollection. According to Section 6(2) of the Act, the use of a trade-mark creates confusion with another trade-mark when the use of both trade-marks in the same region would be likely to give the impression that the wares related to these trade-marks are manufactured, sold, leased or rented or that the services related to these trade-marks are leased or executed, by the same person, whether or no these wares or these services are in the same general category.
- [31] In deciding whether these trade-marks create confusion, the registrar must take into account all circumstances in the case, specifically those listed in Section 6(5) of the Act, i.e. a) the inherent distinctive nature of the trade-marks and the extent to which they have become known; b) the period during which the trade-marks have been in use; c) the type of wares, services or enterprises; d) the type of business; e) the degree of similarity between the trade-marks in their presentation or sound, or in the ideas they suggest. This list is not exhaustive and different weight could be given to each of these factors, depending on the situation [see *Mattel*, *Inc v. 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin* v. *Boutiques Cliquot Ltée et al* (2006), 49 CPR (4th) 401 (SCC); and *Masterpiece Inc v. Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC)].

# a) the inherent distinctive character of trade-marks and the extent to which they have become known

[32] I agree with the Applicant that the Mark possesses in itself a more inherent distinctive character than the Opponent's HOMESENSE mark. The Mark consists in an invented word (visually at least) that in no way suggests the nature or the quality of its associated Services. By

comparison, the Opponent's mark includes the prefix "HOME" which refers directly to the nature or quality of some of its associated wares and/or services, namely decorative items for the home and the sale of these wares, such as it stems from Ms. Root's affidavit discussed below.

- [33] However, I agree with the Opponent that the extent to which these trade-marks have become known favours the Opponent.
- [34] The Opponent's evidence, introduced by way of Ms. Root's affidavit, establishes in effect that:
  - the Applicant has been active in retail sales in Canada under the WINNERS (since 1990), HOMESENSE (since 2001) and STYLESENSE (since 2008) banners. WINNERS specializes in the sale of clothing and fashion accessories as well as in certain products for the home. HOMESENSE specializes in the sale of decorative items for the home. STYLESENSE specializes in the sale of men's, women's and children's shoes and women's fashion accessories [para. 2 of the affidavit];
  - the HOMESENSE stores are located throughout Canada [para. 5 of the affidavit, Exhibit C];
  - the HOMESENSE mark is used in various ways, including on the stores' outdoor signs, on bags, on price labels and on the *www.homesense.ca* website [para. 6 of the affidavit, Exhibits D-1 D-9];
  - the sales posted by the HOMESENSE stores in Canada between 2002 and 2011 exceeded \$3 billion. The breakdown of these sales, by year, is included in the affidavit [para. 7 of the affidavit];
  - the budget allocated to promoting and advertising the HOMESENSE mark between 2004 and 2010 exceeded \$53 million. The breakdown of this budget, by year, is also included in the affidavit [para. 8 of the affidavit];
  - this promotion and advertising was implemented in various ways, including by way of television, radio, magazines, newspapers and various media events, as well as via the

- www.homesense.ca website. This site attracted more 1.6 million individual visitors in Canada [para. 9 to 13 of the affidavit, Exhibits E to G]; and
- the HOMESENSE mark has been referred to in various newspaper articles in Canada over the last decade [para. 14 of the affidavit, Exhibit H].
- [35] Accordingly, I deem it reasonable to conclude that the Opponent's HOMESENSE mark has become well-known in Canada in association with, in general, the services of major retail stores specialized in the sale of home decoration products. This recognition strongly supports the distinctive character of the HOMESENSE mark.
- [36] In comparison, the Applicant's evidence, introduced by way of Mr. Atallah's affidavit, basically establishes that:
  - The Applicant specializes in the sale of high-end and designer clothing, accessories and shoes, in-store and online, under the SSENSE trade-mark [para. 5 and 6 of the affidavit];
  - The Applicant's store opened in Montreal on April 30, 2004 [para. 7 of the affidavit,
     Q. 143 and 144 of the cross-examination transcript];
  - In fall 2008, this store moved to a different location in Montreal. The new location displayed the SSENSE logo that was redesigned to correspond to the word SSENSE written as such in upper case [para. 7 of the affidavit, Exhibit FA-3, and Q. 42-44 and 61-64 of the cross-examination transcript];
  - the Applicant's online sales services began in 2006 by way of its www.ssense.com website. The Applicant had previously used the www.ssense.ca website to advertise its Services [para. 12 of the affidavit, Q. 224-242 of the cross-examination transcript];
  - since opening its store in April 2004, the Applicant has advertised and promoted its Services in various ways, including the publication and distribution of promotional cards, advertising in periodicals and through its website [para. 11 and 12 of the affidavit]; and

- the Applicant's store as well as its online sales services have regularly been the subject of media coverage, primarily in print magazines and distributed on the Internet. The *www.ssense.com* website attracts 35-40,000 individual visitors per day [para. 13 and 14 of the affidavit].
- [37] Although, according to Mr. Atallah, the Applicant's website attracts a significant number of visitors and that its Services have had some media coverage, it is difficult to assess the extent to which the Applicant's Mark has become known in Canada. The Applicant has provided no sales figures nor any indication about the budget allocated to promoting and advertising its Services in association with the Mark. Under the circumstances, I believe it reasonable to conclude that the Mark has become known only to a certain extent in Canada, and more specifically in Montreal.
- [38] Accordingly, my overall assessment of this first factor, which is a combination of the distinctive, inherent and acquired characters of the marks in question, favours the Opponent.

# b) the period during which the trade-marks have been in use

[39] Given my comments above, this factor also favours the Opponent.

#### c) the type of wares, services or businesses and d) the nature of the business

- [40] In considering the type of wares and services, and the nature of the business, I must compare the statement of wares and services covered by the application being opposed with the statement of wares and services covered by the registration(s) claimed in the statement of opposition [see *Henkel Kommanditgesellschaft auf Aktien v. Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); and *Mr. Submarine Ltd v. Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)].
- [41] The parties' services overlap in that they include the in-store sale of men's and women's clothing, accessories and shoes. It is the same for the nature of the parties' business in that they both target the same clientele, namely Canadian consumers interested in purchasing such wares.

- [42] The Applicant submits that the Opponent's evidence, introduced by way of Ms. Root's affidavit, does not in itself establish use of the HOMESENSE mark in association with the sale of men's and women's clothing, accessories and shoes. At most, this evidence establishes the use of the HOMESENSE mark in association with the sale of home decoration products [see specifically Exhibits A, D, G and H appended to Ms. Root's Affidavit]. The Applicant also submits that, contrary to the Opponent, it does not promote and advertise its services by placing the emphasis on low prices and the sale of "designer branded merchandise at prices that are less than 20-60% of department and specialty store prices "[para. 2 of Ms. Root's affidavit]. Quite to the contrary, the Applicant specializes in the sale of high-end clothing, shoes and accessories, including designer labels such as ALEXANDER MCQUEEN, GIVENCHY, and YVES ST-LAURENT. Also, the Applicant claims that "none of the 'mass market' marks that are apparently found in the Opponent's stores, such as POLO RALPH LAUREN, DKNY, TOMMY HILFIGER and CALVIN KLEIN (para. 3 of Ms. Root's affidavit), are available in the Applicant's SSENSE store."
- [43] I agree with the Applicant that the Opponent's evidence does not establish as such the use of the HOMESENSE mark in association with the sale of men's and women's clothing, accessories and shoes, but only in association with major retail store services for home decoration products. However, I disagree with its approach.
- [44] As indicated above, I have to compare the statement of the Applicant's Services with that covered by the Opponent's registration for the HOMESENSE mark. The Applicant's approach goes further and enters into a degree of detail not supported by case law.
- [45] In conclusion, my overall assessment of these third and fourth factors favours the Opponent.
  - e) The degree of similarity between the trade-marks in the presentation or sound, or in the ideas they suggest
- [46] As recalled by the Supreme Court in the *Masterpiece* case cited above, in paragraph 49, "[TRANSLATION] the factor likely to have the greatest importance in the analysis regarding the

confusion, and the one that proves decisive in most cases, is the degree of similarity between the trade-marks in the presentation or the sound, or in the ideas they suggest."

- [47] Moreover, as previously mentioned, it is well-established in case law that the probability of confusion is an issue of first impression and imperfect recollection. In this regard, "[TRANSLATION] Even if it is necessary to examine the mark as a whole (and not dissect it to conduct a detailed examination), it is nonetheless possible to bring out of it specific characteristics likely to play a determinant role in the public's perception" [see *Pink Panther Beauty Corp v. United Artists Corp* (1998), 80 CPR (3d) 247 (FCA), in paragraph 34].
- [48] Also, it is true that in certain cases the first word will be the most important element in establishing the distinctive character of a trade-mark, the Supreme Court stipulates in paragraph 64 of the *Masterpiece* case "[TRANSLATION] that it is preferable to wonder firstly whether one of the aspects of the latter is particularly striking or unique."
- [49] In applying these principles to this case, I agree with the Applicant that there exist significant differences between the parties' marks and that it is easy to distinguish them.
- [50] As noted earlier, the mark consists in an invented word. The repetition of the letters "SS" creates a visual appearance that differs totally from the Opponent's HOMESENSE mark. The Mark, particularly when pronounced, makes direct reference to the word "ESSENCE" which means the intrinsic nature of things. The Mark forms an indissociable whole in that the word "SENSE" does not stem as such from the latter.
- [51] In comparison, the HOMESENSE mark evokes the "idea of a home" and is in itself suggestive of the nature of some of the associated wares and services, namely home decoration products and the sale of such items. The words "HOME" and "SENSE" are of equal importance and both stem as such from the mark.
- [52] To conclude on this fifth factor, I believe that the significant differences which exist between the parties' trademarks in the presentation, the sound and the ideas they suggest, favour the Applicant.

# Additional circumstances

# "SENSE" family of marks.

- [53] The Opponent submits that it holds a family of trademarks comprising the distinctive element "SENSE." Accordingly, the Opponent claims that the average consumer would react to the Mark in wrongly believing that the Applicant's Services were approved by, or otherwise associated with the Opponent. In other words, the Mark would be perceived, at first sight, as another member of the Opponent's "SENSE" family of marks.
- [54] The existence of a family of trade-marks cannot be presumed. In this case, the Opponent has established the use of its HOMESENSE and STYLESENSE trade-marks (such as it will stem from my analysis below of the ground of opposition based on the absence of distinctive character).
- [55] Since a family of trade-marks is generally composed of more than two trade-marks [see *Retail Royalty Company and American Eagle Outfitters, Inc v. Hawke & Company Outfitters LLC*, 2011 TMOB 139 (CanLII) in para 51, conf. call 2012 CF 1539 (CanLII)], I am not in this case prepared to give weight to this additional circumstance. I would add on this point that if I am mistaken in arriving at such a conclusion, the existence of such a "family" of trade-marks would not in itself have been determinant.

# **Coexistence of the parties' marks**

[56] The Applicant submits as an additional circumstance the absence of any case of confusion between the parties' marks, despite their significant use and their coexistence in Canada for many years. As indicated in the *Dion Neckwear* case cited above:

"[TRANSLATION] In regard to the insufficiency of elements of evidence presented by the opponent concerning concrete cases of confusion, the registrar was of the opinion that an opponent did not have to submit this type of evidence. This is true in theory, but when the applicant has presented certain elements of evidence that could make it possible to conclude in the absence of risk of confusion, the opponent runs a significant risk if, in relying on the burden of proof incumbent on the applicant, it presumes that it does not have to submit evidence on the subject of confusion. Although the issue that has to be resolved is that of knowing whether there exists "a risk of confusion" and not an "actual confusion," or "concrete cases of confusion," the absence of "actual confusion" is a factor to which the courts grant significance when ruling on the "risk of confusion." A negative inference can be drawn when the evidence shows that the simultaneous use of two marks is significant

and that the opponent has submitted no element of evidence tending to show the existence of a confusion." (See the decision *Pink Panther* [*Beauty Corp. v. United Artists Corp.* [1998], 80 C.P.R. (3d) 247 (FCA)]; *Multiplicant Inc. v. Petit Bateau Valton S.A.* (1994), 55 C.P.R. (3d) 372 (C.F. 1st. inst.); *Bally Schuhfabriken AG/Bally's Shoe Factories Ltd. v. Big Blue Jeans Ltd.* (1992), 41 C.P.R. (3d) 205 (C.F. 1st. inst.); *Monsport Inc. v. Vêtements de Sport Bonnie* (1978) *Ltée* (1988), 22 C.P.R. (3d) 356 (C.F. 1st. inst.)).

- [57] However, the Opponent submits that no negative inference based on the absence of proof of confusion can be drawn in this case, given that the Applicant only operates one store in Montreal and, therefore, that the use of the Mark is limited ("confined degree of use"). I partially disagree.
- [58] Although the Applicant operates only one store in Montreal, the Opponent's evidence shows that the latter operates HOMESENSE stores in this same city and in other cities in Quebec. In this, it cannot be denied that the parties' marks have coexisted for many years, at least in Montreal. However, I agree with the Opponent that this coexistence cannot be qualified as significant in this case, without greater detail regarding the Applicant's extent of use of the Mark [see my comments above concerning the extent to which the parties' marks have become known]. Accordingly, the weight to be given to this additional circumstance is lower than if it were a wide-ranging coexistence. In other words, I believe that this is an issue of an additional circumstance favouring the Applicant, although not determinant in itself.

#### <u>Conclusion</u> – probability of confusion

- [59] As indicated on page 163 in the *Dion Neckwear* case cited above, the registrar does not have to be convinced beyond all doubt that there is a risk of confusion. In effect, "should the beyond doubt standard be applied, applicants would, in most cases, face an insurmountable burden because certainty in matters of likelihood of confusion is a rare commodity." [See also *John Labatt Ltd* v. *Molson Companies Ltd* (1990), 30 CPR (3d) 293 (CF)].
- [60] Given my analysis above, I believe that the Applicant has established, according to the balance of probabilities, that a consumer having an imperfect recollection of the Opponent's HOMESENSE mark would be unlikely to conclude that the Applicant's Services originate from the same source or are otherwise related or associated with the Opponent's wares and services.

- [61] I believe in effect that the differences existing between the parties' marks are, in this case, determinant in themselves and more than sufficient to counterbalance the factors favouring the Opponent. I would add on this point that the apparent absence of any case of confusion despite a degree of coexistence of the parties' marks supports this conclusion.
- [62] Consequently, I reject the ground of opposition based on the non-registrability of the Mark.

Ground based on the absence of a right to registration within the meaning of Section 16(1) of the Act.

- To meet its initial burden of proof in regard to Section 16(1)(a) of the Act, the Opponent must show that at least one of its HOMESENSE and HOMESENSE HOME FASHIONS FOR LESS. EVERYDAY. & Design trade-marks claimed in support of this ground of opposition had been used in Canada prior to the date of the first use claimed in this application and had not been abandoned as at the date of its publication in the *Trade-Marks Journal*, in this case, December 30, 2009 [Section 16(5) of the Act]. This initial burden of proof has been met in regard to the HOMESENSE mark only.
- [64] The Applicant must now show, according to the balance of probabilities, that there was no risk of confusion between the Mark and the Opponent's HOMESENSE mark on the date of first use claimed in the application.
- [65] The difference between the relevant dates has an impact on my preceding analysis. In effect, I cannot take into account the coexistence of the parties' marks under this ground, although it is an additional circumstance favouring the Applicant, albeit not determinant in itself, under the ground of non-registrability within the meaning of Section 12(1)(d) of the Act.
- [66] However, my overall assessment of the third and fourth factors in Section 6(5) of the Act do not necessarily benefit the Opponent on this ground, since I have to consider the nature of the wares and services and the nature of the parties' businesses such as effectively shown by the evidence on file, rather than as stipulated in the statement of wares and/or services covered by the Applicant's application and the Opponent's registration.

- [67] However, as indicated above, the Opponent's evidence establishes at most the use of the HOMESENSE mark in association with the major retail stores services for home decoration products. The differences existing between the intrinsic nature of the parties' services support my preceding conclusion regarding the absence of probability of confusion.
- [68] Accordingly, I reject the ground of opposition based on the absence of a right to registration.

# Ground of opposition based on the absence of distinctive character of the Mark

- [69] To meet its initial burden of proof in regard to the absence of distinctive character, the Opponent must show that one or more of the trade-marks claimed by the latter in support of this ground of opposition had become sufficiently known in Canada on the date of the statement of opposition, i.e. May 5, 2010 such as to deny the distinctive character of the Mark [see *Motel 6*, *Inc v. No. 6 Motel Ltd* (1981), 56 CPR (2d) 44 (CF 1st. inst.); and *Bojangles International LLC and Bojangles' Restaurants Inc v. Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (CF, 1st. inst.)].
- [70] The Opponent has met this burden in regard to its HOMESENSE and STYLESENSE trade-marks.
- [71] In regard more specifically to the STYLESENSE mark, Ms. Root's affidavit establishes the following:
  - there are currently three STYLESENSE stores located in Ontario [para. 15 of the affidavit]. As indicated above, these stores specialize in the sale of men's, women's and children's shoes and women's fashion accessories:
  - the STYLESENSE mark is used on the outdoor sign of the stores and on the *www.stylesense.ca* website [para. 16 of the affidavit, Exhibits I-1 to I-3];
  - the sales posted by the STYLESENSE stores exceeded \$40 million for the years 2008 to 2010 [para. 17 of the affidavit];

- the budget allocated to promoting and advertising the STYLESENSE mark for the years 2008 to 2010 exceeded \$3 million [para. 18 of the affidavit];
- this promotion and advertising was implemented in various ways, including by way of television, radio, magazines, newspapers, etc. [para. 19 and 20 of the affidavit]; and
- the STYLESENSE mark was referred to in various newspaper articles in Canada during the years 2008 to 2010 [para. 21 of the affidavit, Exhibit L].
- [72] Since the Opponent has met its incumbent initial burden of proof, the Applicant must now show, according to the balance of probabilities, that on the filing date of the statement of opposition, there was no risk of confusion between the Mark and one or other of the Opponent's HOMESENSE and STYLESENSE marks.
- [73] The difference between the relevant dates has no real impact on my analysis above under Section 12(1)(d) of the Act in regard to the probability of confusion between the Mark and the Opponent's HOMESENSE mark.
- [74] My analysis is basically the same in regard to the probability of confusion between the Mark and the Opponent's STYLESENSE mark.
- In fact, although the sale services for men's, women's and children's shoes and women's fashion accessories associated with the Opponent's STYLESENSE overlap to some extent the Applicant's services, I believe the differences existing between the parties' marks to be determinant in this case. The STYLESENSE mark evokes the "sense of style" and is in itself suggestive of the nature of its associated services, namely the retail sale of shoes and fashion accessories. The words "STYLE" and "SENSE" are of equal importance and both stem as such from the mark. In comparison, and as indicated above, the Mark consists in an invented word. The repetition of the letters "SS" creates a visual appearance that differs totally from the Opponent's STYLESENSE mark. The Mark, particularly when pronounced, makes direct reference to the word "ESSENCE" which means the intrinsic nature of things. The Mark forms an indissociable whole in that the word "SENSE" does not stem as such from the latter.

[76] Accordingly, I believe that the Applicant has met its legal onus of establishing that the

Mark was distinctive of its Services on the date of the statement of opposition in that it did not

cause confusion, according to the balance of probabilities, with the Opponent's HOMESENSE

and STYLESENSE marks.

[77] Accordingly, I reject the ground of opposition based on the absence of distinctive

character.

**Decision** 

[78] In exercising the authority delegated to me pursuant to Section 63(3) of the Act, I reject

the opposition in application of Section 38(8) of the Act.

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Annie Robitaille Member

Trade-marks Opposition Board

Canadian Intellectual Property Office

Traduction certifiée conforme

[Alan Vickers]

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# Appendix

Mark	Reg. No.	Reg. date	Wares and/or services
HOMESENSE	611946	June 3, 2004	(1) [] men's, women's, children's and infants' clothing, namely, sportswear, dresses, jackets, knickers, overalls, pants, parkas, shirts, shorts, skirts, socks, suits, sweaters, underwear pants and tops, vests, gloves, mufflers, hosiery, namely, socks, stockings and pantyhose, blouses, pinafores, bonnets, panties, bows, tights, sweatsuits, slacks, slips, diaper sets, sweatshirts, coats, leggings, caps, hats, scarves, belts, pajamas, nightgowns, lingerie, bras, ties, turtlenecks, blouses, blazers, jumpsuits, robes; beach robes, bathing suits, gowns, leather outerwear, namely leather pants, and leather jackets; footwear, namely, shoes, sandals, boots and slippers.  (1) Retail stores services, retail store services featuring housewares, home furnishings, furniture, floor coverings, paper products, bedding and bed linens, decorative furnishings, window treatments, wallpaper, closet organization products, towels, clocks, lamps, candles, textiles and linens for the home, dinnerware, glassware, kitchen ware and utensils, small appliances, small electronics, toys and games, sporting and gymnastic products, clothing, footwear.  (2) Retail store services featuring food products.
HOMESENSE HOME FASHIONS FOR LESS. EVERY DAY.	624306	Nov. 2 2004	Same wares (1) and services (1) as for Registration No. 611946.
HOMESENSE. DECO MODE A MEILLEUR PRIX.	665281	May 30, 2006	Same services (1) as for Registration No. 611946
HOMESENSE	711429	April 9, 2008	(1) Retail store services featuring housewares, home furnishings, furniture, floor coverings, paper products, bedding and bed linens, decorative furnishings, window treatments, wallpaper, closet organization products, towels, clocks, lamps, candles, textiles and linens for the home, dinnerware, glassware, kitchen ware and utensils, small appliances, small electronics, toys and games, sporting and gymnastic products, clothing, footwear, and food products.