

IN THE MATTER OF AN OPPOSITION by  
Champion Products Inc. and The Keds Corporation  
to application No. 585,360 for the trade-mark  
CHAMP & Design filed by New Games S.r.l.

On June 3, 1987, New Games S.r.l. filed an application to register the trade-mark CHAMP & Design, illustrated below, for the wares "footwear namely, shoes, boots and slippers" based on use and registration (under No. 335.554) of the mark in Italy.

An objection was raised at the examination stage that the applied for mark was confusing with the mark CHAMPS, regn. No. UCA 16643, covering identical wares and standing in the name of The Keds Corporation. The objection was withdrawn when regn. No. UCA 16643 was expunged from the register on December 23, 1988 under the provisions of Section 45 of the Trade-marks Act. The subject application was advertised for opposition purposes in the Trade-marks Journal issue dated July 12, 1989 and was opposed by Champion Products Inc. (hereinafter "Champion") and The Keds Corporation (hereinafter "Keds") on August 14, 1989. A copy of the statement of opposition was forwarded to the applicant on September 28, 1989. The applicant responded by filing and serving a counter statement.

The first ground of opposition is that the applied for mark is not registrable pursuant to Section 12(1)(d) of the Trade-marks Act because it is confusing with (a) regn. No. 197,492 for the mark CHAMPION standing in the name of Keds for the wares shoes (b) regn. Nos. 221,789 and 229,806 for the marks CHAMPION & Design, illustrated below, and CHAMPION U.S.A., respectively, standing in the name of Champion for the

wares athletic uniforms, sweat shirts and jackets, pants, T-shirts, polo shirts, socks and swim wear.

The second ground of opposition pursuant to Section 16(2)(a) is that the applicant is not entitled to register the applied for mark because, at the date of filing of the subject application, it was confusing with (a) the mark CHAMPION previously used in Canada by Keds in association with footwear [in this regard, the opponents allege that Champion is a licensee of Keds' mark CHAMPION for footwear] , and confusing with (b) the mark CHAMPION & Design previously used in Canada by Champion in association with athletic clothing and uniforms.

The final ground of opposition is that the applied for mark does not actually distinguish nor is it adapted to distinguish the wares of the applicant from the wares of the opponents.

The opponents' evidence consists of the affidavit of Mark Olbrych, Controller of Keds' parent corporation, and the affidavit of Robert J. Powell, Secretary and General Counsel of Champion. The applicant's evidence consists of the affidavits of Vincenzo Buccilli, President of the applicant company, and Robert W. Sterling, trade-mark agent. Mr. Olbrych and Mr. Buccilli were cross-examined on their affidavits and the transcripts thereof form part of the evidence of record. Additionally, answers to undertakings given at Mr. Olbrych's cross-examination form part of the evidence herein. Mr. Buccilli failed to answer undertakings given at his cross-examination. Both parties filed a written argument and both parties were represented at an oral hearing.

At the commencement of the oral hearing, the opponent sought to introduce additional evidence namely, a certified copy of extracts taken from an application file No. 740,332 for the trade-mark CHAMPION & Design (illustrated earlier) filed by the opponent Champion for various items of clothing and for items of luggage. The extracts consist of Champion's trade-mark application (dated May 19,1994) and a statement of opposition filed by the present applicant New Games S.r.l. The statement of opposition alleges, among other things, that Champion's mark CHAMPION & Design is confusing with New Games' mark CHAMP & Design (which mark is the subject of the instant proceeding). I refused leave to file the additional evidence because I was wary of assessing the relevance of the evidence without reviewing the entire application file, which was not evidenced, and because the opponent notified the applicant of its intention to file the additional evidence only several days before the hearing. With regard to the latter, the statement of opposition is dated November 9, 1994, that is, about one year prior to the oral hearing. The agent for the opponent admitted to actual notice of the statement of opposition about two months before the hearing date but offered no explanation for not requesting leave to file the additional evidence earlier.

I will first consider the ground of opposition alleging that the applicant is not entitled to register the applied for mark CHAMP & Design because it is confusing with Champion's mark CHAMPION & Design for clothing. In view of the provisions of Sections 16(2), 16(5) and 17(1) of the Act, it was incumbent on the opponent Champion to evidence the use of its trade-mark CHAMPION & Design prior to the applicant's filing date and to show that its trade-mark was not abandoned as of the applicant's date of advertisement, that is, July 12, 1989. Mr. Powell's affidavit satisfies both of these requirements.

In view of the above, the ground of prior entitlement remains to be decided on the

issue of confusion between the marks at issue. The onus or legal burden is on the applicant to show no reasonable likelihood of confusion. Furthermore, the material date for considering the circumstances respecting that issue is as of the applicant's filing date, namely June 3, 1987, in accordance with the wording of Section 16(2). Finally, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set out in Section 6(5) of the Act.

There is high degree of resemblance between the applied for mark CHAMP & Design and the mark CHAMPION & Design visually and aurally, and even more so in ideas suggested. The marks resemble each other visually and aurally since the applied for mark is a truncation of the mark CHAMPION & Design. The visual similarity of the marks in issue is heightened since the prominent first letter C in each mark includes a vertical line component - in the case of the applied for mark it is the second letter H, enclosed in the letter C, that provides a vertical line component. The applied for mark and the opponent's mark both suggest the idea of "a champion." The nature of the parties' wares namely, footwear for the applicant and clothing for the opponent Champion, are different but are somewhat related and could potentially travel through the same channels of trade [see *Salamander Aktiengesellschaft v. Pacific Clothing Exchange Ltd.*, 19 C.P.R. (3d) 349, at p. 351; *I. Hignell & Associates Ltd. v. H.H. Brown Shoe Co. (Canada) Ltd. - Chaussures H.H. Brown (Canada) Ltée.*, 34 C.P.R. (3d) 569; and *Patagonia, Inc. v. Chaussures André S.A., Société Anonyme*, 55 C.P.R. (3d) 408].

There is some evidence that the applicant has used its mark in Canada since 1981 (see Exhibit O of Mr. Buccilli's affidavit), however, sales volumes are only evidenced as of 1986. Similarly, there is some evidence that the opponent Champion has used its mark in Canada since 1967 (see paragraph 11 of Mr. Powell's affidavit), however, sales

volumes are only evidenced as of 1984. In view of the foregoing, I find that the length of time that the marks have been in use favours the opponent Champion, but only marginally.

Champion's sales of clothing in Canada under its mark CHAMPION & Design totalled about \$1.8 million for the period 1984 to 1987 inclusive. There is also some evidence that the opponent Champion advertises under its mark in Canada. Based on the above, I am able to infer some reputation for the opponent's mark in Canada as of the material date June 3, 1987.

Mr. Buccilli's evidence is that the applicant's sales of footwear in Canada under its mark CHAMP & Design totalled about \$42,000 for the period 1986 to 1987 inclusive and that Canadians were likely exposed to the applicant's international advertising during that period. Mr. Buccilli's testimony, taken at face value, establishes only a minimal reputation for the applicant's mark CHAMP & Design in Canada as of the relevant date June 3, 1987. In any event, I do not place much reliance on Mr. Buccilli's testimony given various inaccuracies in his affidavit and his failure to answer undertakings given during cross-examination on his affidavit.

The applicant has submitted that the significance of any resemblance between its marks CHAMP & Design and Champion's mark CHAMPION & Design is mitigated by the state of the register evidence, introduced by means of the Sterling affidavit, concerning marks with the component CHAMP or CHAMPS or CHAMPION. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace: see *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R.(3d) 432 (TMOB) and *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R.(3d) 205 (F.C.T.D.). See also *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43

C.P.R.(3d) 349 (F.C.A.) which is support for the proposition that inferences about the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located. The Sterling affidavit attaches a trade-mark search report showing about ten relevant registrations, standing in the names of different third parties, for clothing or for footwear. Several relevant pending applications are also included in the search report. I have, however, discounted from the search report marks with design components because illustrations of the marks were not included in the evidence. It is therefore impossible to determine whether the components CHAMPION, CHAMP, or CHAMPS are prominent or insignificant parts of the marks. The preferred manner of proving state of the register evidence is by means of certified copies of the registrations or the pending applications relied on or photocopies of the registrations and applications together with an affidavit of the person who made the photocopies: see *Quebec Maple Products v. Stafford Foods Ltd.* (1988), 20 C.P.R.(3d) 404 at 408 (TMOB).

The search conducted in this case must be given reduced weight because it provides incomplete particulars of the registrations and applications located. For example, it may be that a number of the registrations are based on use and registration abroad rather than on use in Canada or it may be that some of the marks located have been expunged or abandoned. Considering the foregoing, and also considering the relatively low number of relevant registrations located, I am not prepared to infer from the state of the register evidence that the components CHAMP or CHAMPS or CHAMPION are common for trade-marks in the clothing and footwear industries.

I have noted that the opponent Keds' sales of shoes under its mark CHAMPION amounted to about \$1.4 million in 1988, \$2.4 million in 1989, and \$1.6 million for the first six months in 1990, representing some 430,000 pairs of footwear: see para. 6 of Mr.

Olbrych's affidavit. I have also noted Mr. Powell's evidence that the opponent Champion has been using the mark CHAMPION in Canada for shoes under licence from Keds since February, 1987. As Mr. Powell's testimony does not reveal whether Keds has direct or indirect control of the character or quality of the footwear sold under the licence, I would not be prepared to find that any use of the mark CHAMPION for shoes by the opponent Champion is deemed use of the mark by the opponent Keds: in this regard, see Section 50(1) of the Act. Based on the evidence of record, I infer that, as of the material date June 3, 1987, the distinctiveness of the mark CHAMPION & Design was at least minimally diminished by Keds' sales and promotion under its mark CHAMPION prior to that date.

In the circumstances of this case where Champion's mark CHAMPION & Design was in fairly substantial use in Canada, and considering the resemblance between the applied for mark and Champion's mark and that the parties' channels of trade could potentially overlap, I am in a state of doubt whether, at the material date June 3, 1987, the applied mark CHAMP & Design was confusing with the opponent Champion's mark CHAMPION & Design. It follows that the applicant has not met the legal onus on it to establish that, on the balance of probabilities, the applied for mark was not confusing with Champion's mark. As the opponents have succeeded on the issue of entitlement to registration, I need not consider the remaining grounds of opposition.

In view of the above, the applicant's application is refused.

I would add that the outcome of this proceeding might have favoured the applicant had its state of the register evidence been more reliable, or had the applicant elicited information from Mr. Olbrych during his cross-examination concerning Keds' sales and

advertising under its mark CHAMPION prior to the material date.

DATED AT HULL, QUEBEC, THIS 28 DAY OF November, 1995.

Myer Herzig,  
Member,  
Trade-marks Opposition Board