

**IN THE MATTER OF AN OPPOSITION by SEARS CANADA
INC. to application No. 781,939 for the trade-mark NEVADOS
filed by AMERICAN SPORTING GOODS CORPORATION**

On May 3, 1995, the applicant, AMERICAN SPORTING GOODS CORPORATION, filed an application to register the trade-mark NEVADOS based upon use of the trade-mark in Canada since at least as early as March 1994 in association with:

“Leather and imitations of leather; travel bags, book bags, tote bags, overnight bags, duffle bags, carry-on bags, athletic bags, all purpose sports bags, gym bags, knapsacks and back packs; clothing, namely, pants, shirts, shorts, sweaters, sweat tops, sweat pants, t-shirts, jackets, socks; footwear namely, hiking boots, sandals, casual shoes, shoes, boots, slippers”

The present application was advertised for opposition purposes in the *Trade-marks Journal* of June 12, 1996 and the opponent, SEARS CANADA INC., filed a statement of opposition on August 12, 1996, a copy of which was forwarded to the applicant on September 11, 1996. The applicant served and filed a counter statement in response to the statement of opposition on January 10, 1997. The opponent submitted as its evidence the affidavit of Sharon Landry while the applicant filed as its evidence the affidavits of Shirley McDonald, Victoria Carrington, Melanie Y. Sharman, Christopher E. Kondracki and John Thomas. The opponent also submitted as evidence in reply the affidavit of Peter Eliopoulos and a second affidavit of Sharon Landry dated October 2, 1998.

The applicant amended its application during the opposition proceeding by limiting its statement of wares to “Footwear namely, hiking boots, sandals, heavy-duty athletic shoes and boots”. Further, the opponent requested leave on four occasions to amend its statement of opposition pursuant to Rule 40 of the *Trade-marks Regulations*. The first and third requests for leave were granted by the Opposition Board while the second and fourth requests were refused. As well, the applicant requested and was granted leave to amend its counter statement pursuant to Rule 40 of the *Regulations*. Both parties filed a written argument and both were represented at an oral hearing.

The following are the grounds of opposition set forth in the opponent’s amended statement of opposition of January 18, 1999:

- a) The applied for trade-mark is not registrable in view of paragraph 12(1)(d) of the *Trade-marks Act* in that the trade-mark NEVADOS is confusing with the opponent’s

registered trade-marks as follows:

<u>Trade-mark</u>	<u>Registration No.</u>	<u>Wares/Services</u>
NEVADA	422,608	Clothing, namely jeans, pants, jackets, skirts, jumpsuits, shorts, shirts and t-shirts. Clothing, namely sweaters, sweat tops, sweat pants, bathing suits, cover-ups, blazers, dresses and culottes; accessories, namely handbags, satchels, duffel bags and knapsacks, scarves, hats, belts, gloves, mitts, sunglasses and socks; footwear, namely shoes, boots and slippers. Underwear, namely panties, camisoles, crop tops, body suits and bike shorts.
NEVADA JEANWEAR	378,286	Clothing namely, jeans, pants, jackets, skirts, jumpsuits, shorts, shirts, and T-shirts.
NEVADA JEANSWEAR	505,453	Clothing, namely jeans, pants, jackets, skirts, jumpsuits, shorts and t-shirts.

b) The applicant is not the person entitled to registration pursuant to subsection 16(1) of the *Trade-marks Act* because, as of the claimed date of first use, the applicant's trade-mark NEVADOS was confusing with the trade-marks NEVADA, NEVADA JEANWEAR and NEVADA JEANSWEAR which had been previously used in Canada by the opponent in association with the wares covered in its trade-mark registrations identified above.

c) The applicant's trade-mark is not distinctive pursuant to section 2 of the *Trade-marks Act* because the applicant's trade-mark does not distinguish and is not adapted to distinguish the wares of the applicant from the wares of the opponent because of the opponent's prior use of its trade-marks NEVADA, NEVADA JEANWEAR and NEVADA JEANSWEAR in association with the wares covered in its trade-mark registrations identified above.

As its first ground, the opponent has alleged that the applicant's trade-mark NEVADOS is confusing with its registered trade-marks NEVADA, NEVADA JEANWEAR and NEVADA JEANSWEAR. In determining whether there would be a reasonable likelihood of confusion between the applicant's trade-mark and the opponent's registered trade-marks within the scope of subsection 6(2) of the *Trade-marks Act*, the Registrar must have regard to all the surrounding circumstances, including those which are specifically enumerated in subsection 6(5) of the *Act*. Further, the Registrar must bear in mind that the legal burden is on the applicant to establish that there would be no reasonable likelihood of confusion between its trade-mark and the opponent's registered trade-marks as of the date of my decision, the material date in relation to the paragraph 12(1)(d) ground [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks*, 37 C.P.R. (3d) 413 (F.C.A.)].

Considering initially the inherent distinctiveness of the trade-marks at issue [para.6(5)(a)], the applicant's mark NEVADOS is inherently distinctive in that it is neither descriptive nor suggestive when applied to "Footwear namely, hiking boots, sandals, heavy-duty athletic shoes and boots", nor does it appear to possess any other significance which would detract from its inherent distinctiveness. The opponent's trade-marks NEVADA, NEVADA JEANWEAR and NEVADA JEANSWEAR possess relatively little inherent distinctiveness in view of the geographic significance of the word NEVADA which is one of the western states of the United States of America. Further, the words JEANWEAR and JEANSWEAR are descriptive of the wares covered in registration Nos. 378,286 and 503,453 and therefore add little to the inherent distinctiveness of the trade-marks NEVADA JEANWEAR and NEVADA JEANSWEAR.

With respect to the extent to which the trade-marks at issue have become known [para.6(5)(a)] and the length of time the marks have been in use [para.6(5)(b)], the applicant's evidence fails to establish that its trade-mark NEVADOS has been used to date in Canada or that its mark has otherwise become known to any measurable extent in this country. As for the opponent's marks, and while paragraph 8 of the first Landry affidavit sets forth the annual sales figures from 1989 to 1997 of the opponent's wares bearing its NEVADA trade-marks, Ms. Landry has not provided a breakdown as to the wares and, in particular, footwear, associated with any of the sales figures. However, the opponent's sales prior to 1993 which exceeded \$30,000,000 appear to be related solely to clothing as the opponent only commenced use of its NEVADA trade-marks in association with wares other than clothing during 1993. Moreover, the opponent has established that there has been relatively extensive advertising associated with its NEVADA trade-marks as applied to clothing since 1988, as well as some advertising of its footwear in association with the NEVADA marks. I find therefore that the opponent's trade-marks NEVADA, NEVADA JEANWEAR and NEVADA JEANSWEAR have become known in Canada in association with clothing but that its marks have become known to only a minor extent in association with footwear. I would also note that the Landry affidavit is unclear as to when the opponent commenced sales of shoes, boots and sandals in association with its NEVADA marks in Canada, bearing in mind that Ms. Landry's assertion that the opponent has used its NEVADA trade-marks in association with footwear since at least as early as 1993 is a conclusion of law. Having regard to the foregoing, I find that both the

extent to which the trade-marks at issue have become known and the length of time the marks have been in use weigh in the opponent's favour in relation to its trade-marks NEVADA , NEVADA JEANWEAR and NEVADA JEANSWEAR as applied to clothing for men, women and children.

As for the nature of the wares [para. 6(5)(c)] and the nature of the trade [para. 6(5)(d)] of the parties, it is the applicant's statement of wares set forth in its amended application and the statements of wares covered in the opponent's registrations which must be considered in assessing the likelihood of confusion in relation to the paragraph 12(1)(d) ground [see *Mr. Submarine Ltd. v. Amandista Investments Ltd.*, 19 C.P.R.(3d) 3, at pp.10-11 (F.C.A.); *Henkel Kommanditgesellschaft v. Super Dragon*, 12 C.P.R.(3d) 110, at p.112 (F.C.A.); and *Miss Universe, Inc. v. Dale Bohna*, 58 C.P.R.(3d) 38,1 at pp.390-392 (F.C.A.)]. However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. In this regard, evidence of the actual trades of the parties is useful, particularly where there is an ambiguity as to the wares or services covered in the application or registrations at issue [see *McDonald's Corporation v. Coffee Hut Stores Ltd.*, 68 C.P.R.(3d) 168, at p. 169 (F.C.A.)]. In this regard, I do not consider there to be any ambiguity in the statements of wares covered in the applicant's amended application or in the opponent's registrations.

There is an overlap between the applicant's "Footwear namely, hiking boots, sandals, heavy-duty athletic shoes and boots" and the opponent's "footwear, namely shoes, boots and slippers" covered in registration No. 422,608 for the trade-mark NEVADA. Moreover, I would expect that there could be a potential overlap in the nature of the trade of the parties. In this regard, John W. Thomas, Vice President of the applicant, notes in his affidavit that "hiking and outdoor footwear designated by the NEVADOS trademark will be sold to the public through sporting goods stores, shoe stores and general department stores". As the opponent sells its wares bearing the NEVADA trade-marks through its retail stores which offer a broad range of merchandise, the applicant's wares could potentially be sold through the same type of retail outlet as the opponent's retail stores or possibly even through the opponent's retail stores.

With respect to the degree of resemblance between the trade-marks at issue [para.6(5)(e)], the applicant's trade-mark NEVADOS bears a fair degree of similarity in appearance and in sounding to the opponent's trade-mark NEVADA and bears somewhat less similarity to the opponent's NEVADA JEANWEAR and NEVADA JEANSWEAR marks when these marks are considered in their entirety. On the other hand, I do not consider that the average consumer would consider that these marks suggest any ideas in common.

As a further surrounding circumstance in assessing the likelihood of confusion between the trade-marks at issue, the applicant has relied upon evidence of the state of the register submitted by way of the McDonald affidavit. Ms. McDonald has annexed to her affidavit the results of the search which she conducted to locate any trade-marks on the register covering clothing, footwear, or sporting goods which include the element NEVAD or NEVED. Annexed to Ms. McDonald's affidavit are photocopies of the register pages for all the registered trade-marks listed by the affiant in paragraph 4 of her affidavit, together with copies of three section 9 official marks which were also located by Ms. McDonald. I would note that 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.*, 41 C.P.R.(3d) 432 (T.M.Opp.Bd.); and *Del Monte Corporation v. Welch Foods Inc.*, 44 C.P.R.(3d) 205 (F.C.T.D.)]. Further, the decision of the Federal Court of Appeal in *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.*, 43 C.P.R.(3d) 349 (F.C.A.) supports 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 results of Ms. McDonald's search revealed the existence of the following trade-marks which I consider to be of relevance in the present case: DANNY NEVADA, registration No. 336,278, covering "Ladies' tops, men's and children's shirts and children's jeans and pants"; NEVEDA & Design, registration No. 349,328, covering *inter alia* "Outerwear namely, ski gloves, ski jackets, ski vests and warm-up pants"; and three registrations for the marks NEVADA BOB & Design, registration No. 381,382, NEVADA BOB'S, registration No. 395,910 and NEVADA BOB'S GOLF AND TENNIS, registration No. 330,756, all standing in the name of NEVADA BOB'S PRO SHOP INC. and covering *inter alia* the operation of retail stores or retail store services,

as well as wearing apparel [regn. No. 381,382] and various articles of wearing apparel for golf or tennis [regn. No. 330,756]. Given the limited number of relevant third party trade-marks disclosed by Ms. McDonald's search, I am not prepared to assume that any of these marks are in active use in the marketplace in Canada.

Apart from the above, the opponent has relied upon the Sharman and Carrington affidavits as showing that various NEVADA BOB'S trade-marks or trade-names are in use in Canada in association with the operation of retail stores selling sports equipment and accessories, clothing and footwear. However, the uncontested evidence of Peter Eliopoulos is to the effect that none of the clothing or footwear being sold in the Nevada Bob's Golf & Tennis retail store which he visited in Toronto was marked with a trade-mark including the words NEVADA or NEVADA BOB'S. Further, while Victoria Carrington states in her affidavit that she attended a Nevada Bob's Golf & Racquet Store located in Nepean, Ontario and noted that a wide variety of sports clothing, equipment and accessories, and footwear were being sold, her evidence does not contradict the evidence of Mr. Eliopoulos. Thus, I find this evidence of limited assistance to the applicant.

The Kondracki and Thomas affidavits establish that the applicant has a registration in the United States of America for the trade-mark NEVADOS covering "men's and women's athletic shoes" and that the opponent's parent corporation, Sears Roebuck & Co., has filed an application to register the trade-mark NEVADA COLLECTION as applied to "luggage, backpacks and all purpose sports bags" in the United States. However, while the "men's and women's athletic shoes" covered in the applicant's NEVADOS registration in the United States are closely related to the wares covered in the present application, these wares differ from the "luggage, backpacks and all purpose sports bags" covered in the application for registration of the trade-mark NEVADA COLLECTION. Moreover, the opponent's registration for the trade-mark NEVADA specifically covers "footwear, namely shoes, boots and slippers" which overlap the applicant's wares. Thus, this evidence is also of little assistance to the applicant in this opposition. Likewise, the applicant's evidence relating to other third party trade-mark registrations in the United States is of little relevance insofar as my being able to draw inferences from them concerning the state of the marketplace in Canada.

Apart from the foregoing, the applicant has adduced evidence of a pair of jeans bearing the mark NEVADA JEANWEAR which were purchased by Victoria Carrington in a Winners Apparel Ltd. retail clothing store in Nepean, Ontario. The jeans also bear a label with a five digit CA Number CA05104 which, according to Ms. Carrington, is used by Canadian textile companies to identify the person by or for whom the article of clothing was made, as required by the *Textile Labelling Act*. Ms. Carrington states that she conducted a search of the CA Number Database maintained by the Competition Bureau's Fair Business Practices Branch on the Industry Canada Website and determined that CA05104 had been assigned to French Dressing Fashions Inc. of St. Laurent, Quebec. As Ms. Carrington has not indicated the number of such jeans or other articles of clothing bearing the NEVADA trade-mark which she located at the retail clothing store which she visited, I assume that the pair of jeans which she purchased was the only such article of clothing which she was able to locate. As a result, I have accorded this evidence little weight in assessing the likelihood of confusion between the trade-marks at issue.

Having regard to the foregoing and, in particular, to the degree of similarity between the applicant's trade-mark NEVADOS and the opponent's registered trade-mark NEVADA as applied to overlapping wares which could travel through the same channels of trade, and bearing in mind that the opponent has established that its inherently weak trade-mark NEVADA has become known in Canada particularly in association with clothing, I find that the applicant has failed to meet the legal burden on it of showing that there would be no reasonable likelihood of confusion between the trade-marks at issue. Thus, the first ground of opposition is successful.

As for its second ground, the opponent has met the burden on it under subsections 16(5) and 17(1) of the *Trade-marks Act* by establishing its use of its trade-mark NEVADA in Canada in association with clothing prior to the applicant's claimed date of first use, as well as showing that it had not abandoned its mark as of the date of advertisement of the present application. Consequently, the second ground turns on the issue of confusion between the applicant's trade-mark NEVADOS and the opponent's trade-mark NEVADA. In assessing whether there would be a reasonable likelihood of confusion between these trade-marks within the scope of subsection 6(2) of the *Trade-marks Act*, the Registrar must have regard to all the surrounding circumstances and

must bear in mind that the legal burden is on the applicant to establish that there would be no reasonable likelihood of confusion between its trade-mark and the opponent's registered trade-marks as of its claimed date of first use, that is, March 31, 1994.

As noted above, the applicant's trade-mark NEVADOS is inherently distinctive while the opponent's trade-mark NEVADA possesses relatively little inherent distinctiveness in view of its geographic significance. The applicant's trade-mark had not become known to any extent in Canada as of its claimed date of first use while the opponent's trade-mark NEVADA had become known in this country in association with clothing as of that date. Likewise, the length of time the marks had been in use weighs in the opponent's favour as the opponent had been using its trade-mark NEVADA in Canada for at least four years as of the applicant's claimed date of first use. As for the degree of resemblance between the trade-marks at issue, the applicant's trade-mark NEVADOS bears a fair degree of similarity in appearance and in sounding to the opponent's trade-mark NEVADA although the marks would not be perceived as conveying similar ideas.

The applicant's footwear differs from the opponent's clothing and the opponent's evidence fails to show that, as of March of 1994, it had commenced use of its trade-mark NEVADA in association with footwear. Nevertheless, I am of the view that the applicant's footwear and the opponent's clothing could potentially travel through the same channels of trade [see *Salamander Aktiengesellschaft v. Pacific Clothing Exchange Ltd.*, 19 C.P.R. (3d) 349 (T.M.Opp.Bd.), at pg. 351; *I. Hignell & Associates Ltd. v. H.H. Brown Shoe Co. (Canada) Ltd.*, 34 C.P.R. (3d) 569 (T.M.Opp.Bd.); *Patagonia, Inc. v. Chaussures André S.A., Société Anonyme*, 55 C.P.R. (3d) 408 (T.M.Opp.Bd.); *William H. Kaufman Inc. v. North American Design Workshop Inc.*, 61 C.P.R. (3d) 259 (T.M.Opp.Bd.); *Status Shoe Corp. of Canada, Ltd. v. Vestra-Union, une société anonyme*, 71 C.P.R. (3d) 120 (T.M.Opp.Bd.); and *Tiger Brand Knitting Co. v. Giant Tiger Stores Ltd.*, 76 C.P.R. (3d) 388 (T.M.Opp.Bd.)]. In this regard, I would also note that the present application as filed covered various articles of clothing as well as footwear, thus supporting the conclusion that there could be a potential overlap in the respective channels of trade associated with clothing and footwear.

Given the limited number of relevant third party trade-marks disclosed by state of the register search, I am not prepared to assume that any of the marks located by Ms. McDonald during her search were in active use in the marketplace in Canada as of March of 1994. As a result, the state of the register evidence is of little assistance to the applicant in relation to the paragraph 16(1)(a) ground. Furthermore, the evidence of Sharman, Carrington and Kondracki is dated subsequent to the material date and is therefore of no relevance to the determination of the issue of confusion under the non-entitlement ground. Furthermore, the Thomas affidavit is of no assistance to the applicant in relation to the second ground.

Having regard to the degree of similarity between the applicant's trade-mark NEVADOS and the opponent's trade-mark NEVADA as applied to wares which could travel through the same channels of trade, and bearing in mind that the opponent has established that its inherently weak trade-mark NEVADA had become known in Canada in association with clothing as of March of 1994, I find that the applicant has failed to meet the legal burden on it in respect of the issue of confusion. Thus, the second ground is also successful.

As both the paragraphs 12(1)(d) and 16(1)(a) grounds of opposition are successful, it follows that the applicant's trade-mark was not distinctive as of the date of opposition. Hence, the third ground of opposition is also successful.

Having been delegated by the Registrar of Trade-marks pursuant to Subsection 63(3) of the *Trade-marks Act*, I refuse the present application pursuant to Subsection 38(8) of the *Trade-marks Act*.

DATED AT HULL, QUEBEC, THIS 7th DAY OF DECEMBER, 2000.

G.W. Partington,
Chairperson,
Trade-marks Opposition Board.