



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

Citation: 2013 TMOB 83
Date of Decision: 2013-04-30

**IN THE MATTER OF AN OPPOSITION
by Next Retail Limited and Next Group
plc to application No. 1, 482, 416 for the
trade-mark NEXT THEME in the name
of Jubilee Silver International Company**

[1] On May 25, 2010, Jubilee Silver International Company filed an application to register the trade-mark NEXT THEME (the Mark) on the basis of proposed use in Canada in association with the following wares (as revised):

“clothing, namely, shirts; shorts; boxer shorts; pants; overalls; blazers shirts, capri pants, knitwear, namely sweaters; vests; fleece shirts; fleece pants; pull-over tops; t-shirts; tank tops; polo shirts; sweat pants; sweat shirts; underwear; jeans; dresses; blouses; sweaters; skirts; culottes; trousers; pyjamas; night gowns; dressing gowns; belts; swimwear; neckscarves; shawls; handkerchiefs; bathing suits; suits; coats; jackets; sport coats; hats and caps; gloves; mittens; ties; neckerchiefs; snowsuits; sunsuits; suspenders; culotte-skirts; rompers; trouser-overall sets; cloth bags; beach robes;” (the Wares).

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of January 26, 2011.

[3] Next Retail Limited and Next Group plc (the Opponent) filed a statement of opposition against the application on June 27, 2011. The grounds of opposition allege, in summary, that:

- a) the application does not comply with the requirements of sections 30(e) and (i) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act);
- b) the Mark is not registrable pursuant to section 12(1)(d) of the Act because it is confusing with the trade-mark NX Design (depicted below)



which is registered under No. TMA458,879 in the name of Next Retail Limited and which covers “footwear namely, boots; clothing, namely, t-shirts; headgear, namely, caps”;

- c) the Applicant is not the person entitled to registration of the Mark pursuant to section 16(3)(a) of the Act because at the filing date of the application, the Mark was confusing with the aforementioned registered trade-mark NX Design which had been previously registered and used in Canada by Next Retail Limited in association with the aforementioned wares;
- d) the Applicant is not the person entitled to registration of the Mark pursuant to section 16(3)(b) of the Act because at the filing date of the application, the Mark was confusing with the trade-mark NEXT Design (depicted below)



which is the subject of application No. 1, 466, 490 in respect of which an application had been previously filed in Canada by Next Retail Limited for a wide range of goods including clothing, headwear, footwear and bags;

- e) the Applicant is not the person entitled to registration of the Mark pursuant to section 16(3)(c) of the Act because at the filing date of the application, the Mark was confusing with the trade-names Next, Next Retail Limited and Next Group plc., all of which were previously used in Canada by the Opponent; and
- f) the Mark is not distinctive pursuant to section 2 of the Act.

[4] The Applicant filed and served a counterstatement on September 11, 2011, denying the allegations set out in the statement of opposition.

[5] Both the Applicant and the Opponent filed evidence and written arguments.

[6] No oral hearing was held.

Onus and Material Dates

[7] 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 CPR (3d) 293 (FCTD) at 298 and *Dion Neckwear Ltd v Christian Dior, SA* (2002), 20 CPR (4th) 155 (FCA)].

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

- sections 38(2)(a)/30(e) and (i)- the filing date of the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- sections 38(2)(b)/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 CPR (3d) 413 (FCA)];
- sections 38(2)(c)/16(3)(a) to (c) - the filing date of the application [section 16(3) of the Act]; and
- sections 38(2)(d)/2 - the filing date of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Opponent's Evidence

[9] In support of its opposition, the Opponent filed certified copies of Registration no. TMA458,879 for NX Design and Application no. 1, 466, 490 for NEXT Design.

Applicant's Evidence

[10] The Applicant's evidence of record is comprised of the affidavit of Marianne Gilbert. Ms. Gilbert identifies herself as a stagiaire with the law firm of the Applicant. Ms. Gilbert states that she conducted a search on the trademark database contained on CIPO's website and that she attests to "the conformity of Exhibit A-1 as that contained on the trademark database". There is no information regarding what search parameters were used by Ms. Gilbert and she has not provided any details regarding her search results and the contents of Exhibit A-1.

[11] Exhibit A-1 appears to consist of print-outs of the particulars of some registrations and applications from the trademark database contained on CIPO's website. In total, there are ten marks. Of those ten, four can clearly be said to contain the element NEXT, three arguably do and the remainder contain only NEX or NXT, which may be considered to be a phonetic equivalent of "next".

Grounds of Opposition Summarily Dismissed

Non-Conformity- Sections 30(e) and 30(i) of the Act

[12] As the application contains a statement that the Applicant by itself and/or through a licensee intends to use the Mark in Canada, it formally complies with section 30(e) of the Act. The Opponent did not file any evidence to establish that the Applicant falsely made this statement. In view of this, the Opponent has failed to meet its evidential burden and this ground is dismissed.

[13] Where an applicant has provided the statement required by section 30(i), a ground of opposition based upon this section 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 CPR (2d) 152 (TMOB) at 155]. The Applicant has provided the necessary statement

and the Opponent has not demonstrated that this is an exceptional case. Accordingly, this ground is also dismissed.

Non-Entitlement - Sections 16(3)(a) and 16(3)(c) of the Act

[14] With respect to these grounds of opposition, there is an initial burden on the Opponent to evidence use of its trade-mark or trade-names prior to the Applicant's filing date and that it had not abandoned its mark or trade-names as of the date of advertisement of the Applicant's application [section 16(5)]. The Opponent has not provided any evidence of use of its trade-mark or trade-names. The section 16(3)(a) and 16(3)(c) grounds are therefore also dismissed on the basis that the Opponent has not met its initial evidential burden.

Non-Distinctiveness

[15] In order to satisfy its initial burden with respect to the distinctiveness ground of opposition, the Opponent's evidence must show that its marks had become known sufficiently as of the commencement of the opposition to negate the distinctiveness of the applied-for mark [see *Metro-Goldwyn-Mayer Inc v Stargate Connections In.* (2004), 34 CPR (4th) 317 (FC) and *Motel 6, Inc v No. 6 Motel Ltd* (1981), 56 CPR (2d) 44 at 58 (FCTD)].

[16] The Opponent has not filed any evidence of use of its trade-mark. Moreover, I note that the mere filing of a certificate of registration of a trade-mark is not sufficient to meet the initial onus on an opponent under a distinctiveness ground [see *Rooxs, Inc v Edit-SRL* (2002), 23 CPR. (4th) 265 (TMOB)].

[17] The Opponent has therefore failed to meet its initial burden. Accordingly, the distinctiveness ground of opposition is also dismissed.

Analysis of Remaining Grounds of Opposition

[18] I will now turn to the analysis of the remaining two grounds of opposition.

Non-Entitlement – Section 16(3)(b) of the Act

[19] In support of its non-entitlement ground of opposition under section 16(3)(b) of the Act, the Opponent relies on its application no. 1, 466, 490 for the trade-mark NEXT Design, which covers a wide range of goods including clothing, headwear, footwear and bags. The application was filed on January 20, 2010.

[20] The Opponent has met its initial burden by showing that the application upon which it relies was filed prior to the Applicant's application and that it was pending at the date of advertisement. The onus is therefore on the Applicant to demonstrate that there is no likelihood of confusion between the marks at issue.

[21] 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.

[22] In applying the test for confusion, the Registrar must have regard to all of the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks 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 in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight [see, in general, *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC) and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC)].

Section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which they have become known

[23] Although the parties' marks are both comprised of ordinary dictionary terms, I find that they both possess some measure of inherent distinctiveness in the context of clothing related wares and services, as there is no immediate connection or association between the word "next" and clothing. I note, however, that the Applicant's trade-mark NEXT THEME arguably

possesses a little less inherent distinctiveness as it may be considered to be suggestive of the next or upcoming “theme” in clothing.

[24] The strength of a trade-mark may be increased by means of it becoming known through promotion or use. However, as neither party has submitted any evidence of use, I cannot conclude that either of the parties’ marks has become known to any significant extent in Canada.

Section 6(5)(b) – the length of time each has been in use

[25] This factor does not favour either party as there is no evidence of use of the parties’ respective trade-marks. Contrary to what the Opponent has asserted, *de minimis* use of a trade-mark can only be inferred from the existence of a registration, not an application [see *Entre Computer Centers Inc v Global Upholstery Co* (1991), 40 CPR (3d) 427 (TMOB) at 430].

Sections 6(5)(c) and (d) – the nature of the wares, services, trade and business

[26] There is direct overlap in the wares which are associated with the parties’ respective trade-marks. Both of the parties’ applications cover clothing, headwear and bags. Further, there are no restrictions in the channels of trade in the Applicant’s application and the Opponent’s application broadly covers “retail services” (in relation to all of its goods), “e-commerce services”, “on-line sales services”, “mail order services”, “catalogue shopping services” and “direct mail services”. In the absence of any evidence with respect to the parties’ actual channels of trade, I can conclude that there could be at least some overlap, since the wares are essentially the same [see *Effigi Inc v ZAM Urban Dynamics Inc* (2011), 89 CPR (4th) 461 (TMOB)].

Section 6(5)(e) – the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[27] In most instances, the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested is the dominant factor and other factors play a subservient role in the overall surrounding circumstances [see *Beverly Bedding & Upholstery Co v Regal Bedding & Upholstery Ltd* (1980), 47 CPR (2) 145, conf. 60 CPR (2d) 70 (FCTD)]. This principle was recently upheld by the Supreme Court of Canada in *Masterpiece*.

[28] In *Masterpiece*, the Supreme Court of Canada advised that the preferable approach when comparing marks is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique [see *Masterpiece* at para 64].

[29] I find the element NEXT in the Opponent's trade-mark to be the most striking or unique. In my opinion, the design aspect of the mark, which essentially consists of stylized font and a shaded border, simply serves to highlight the word NEXT in the Opponent's trade-mark and make it stand out. I also find the element NEXT to be the most striking or unique part of the Applicant's mark, as it appears in the first, most dominant position of the trade-mark.

[30] Although the addition of the word "theme" to the Applicant's mark may result in a slightly different connotation and some phonetic differences, there is still a fair degree of resemblance between the parties' respective marks, as the Applicant's trade-mark essentially incorporates the whole of the most dominant word portion of the Opponent's mark.

Other surrounding circumstances

[31] The Applicant has introduced evidence of the state of the register through the Gilbert affidavit. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace, and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located [*Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432; *Del Monte Corporation v Welch Foods Inc* (1992), 44 CPR (3d) 205 (FCTD); *Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA)].

[32] In my view, the existence of ten registrations, only four of which can clearly be said to contain the element NEXT, is insufficient in number to make any inferences about the state of the marketplace. Therefore, in the absence of evidence of actual use of NEXT marks in the marketplace, the Applicant's state of the register evidence is of little value.

Conclusion

[33] In view of my analysis above, I find that the Applicant has failed to demonstrate on a balance of probabilities, that the Mark would not be likely to cause confusion with the

Opponent's trade-mark. I reach this conclusion primarily based upon the degree of resemblance between the marks and the fact that the parties' wares are essentially identical and would likely travel in the same channels of trade.

[34] Accordingly, the section 16(3)(b) ground of opposition is successful.

Registrability Pursuant to Section 12(1)(d) of the Act

[35] The Opponent has met its initial burden by filing a certified copy of registration no. TMA458,879 for its trade-mark NX Design, which covers "footwear namely, boots; clothing, namely, t-shirts; headgear, namely, caps";

[36] Since the Opponent's initial burden under section 12(1)(d) of the Act has been met, the Applicant has the legal onus to show that, as of today's date, the Mark is not reasonably likely to cause confusion with the Opponent's registered trade-mark. I will therefore now go on to consider each of the section 6(5) factors.

[37] With respect to section 6(5)(a), namely, the inherent distinctiveness of the trade-marks and the extent to which they have become known, I note that the Opponent's trade-mark NX Design possesses a relatively low degree on inherent distinctiveness, since it simply consists of a combination of two letters in a stylized arrangement. By comparison, as previously discussed, the Applicant's trade-mark NEXT THEME possesses at least a fair measure of inherent distinctiveness in relation to the Applicant's wares. Neither party has filed any evidence of use which would enable me to infer that either of the parties' marks has become known to any extent.

[38] Insofar as section 6(5)(b) is concerned, since the Opponent has a registration upon which to rely, I am able to infer that it has *de minimus* use of its trade-mark [see *Entre Computer Centers Inc v Global Upholstery Co*, above].

[39] With respect to the factors under sections 6(5)(c) and (d), namely the nature of the wares and services and the channels of trade, as previously discussed there is most definitely overlap.

[40] Considering next section 6(5)(e) of the Act, I find that there are significant differences between the Opponent's trade-mark NX Design and the Applicant's trade-mark NEXT THEME. The Opponent's trade-mark may be pronounced as "nex" or as the individual letters "n" and "x". Either way, it is phonetically different from the Applicant's trade-mark NEXT THEME. It also differs markedly in appearance and connotation. In sharp contrast to the Opponent's trade-mark, the Applicant's trade-mark is formed of a combination of words which have readily recognizable meanings. In view of these differences, I find that there is very little resemblance between the parties' marks.

[41] I am of the view that none of the other factors assist the Opponent in overcoming these differences between the marks. While the parties' channels of trade and wares share some degree of overlap, this is insufficient to result in a likelihood of confusion given the differences between the marks.

[42] Having considered all of the surrounding circumstances, in particular the inherent distinctiveness of the marks and the differences between the parties' marks in terms of appearance, sound and idea suggested, I am satisfied that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's registered trade-mark.

[43] Accordingly, the section 12(1)(d) ground of opposition is dismissed.

Disposition

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

Cindy R. Folz
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office