



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

Citation: 2010 TMOB 227
Date of Decision: 2010-12-22

**IN THE MATTER OF AN OPPOSITION
by Balenciaga to application
No. 1,309,044 for the trade-mark
BALEGA & Design in the name of Balega
International, LLC**

The Pleadings

[1] On July 13, 2006 Balega International, LLC (the Applicant) filed application number 1,309,044 to register the trade-mark BALEGA & Design (the Mark), hereinafter reproduced:

The logo features the word "balega" in a bold, lowercase, sans-serif font. The letter 'e' is replaced by a stylized, abstract graphic element that resembles a running figure or a stylized 'e' with a dot above it.

[2] The application covers athletic apparel, namely, socks, sports performance underwear, sports bras, underwear bottoms, underwear tops, running shorts, athletic shirts, stretch shirts and T-shirts, hats, caps (the Wares). It was filed on the basis of use and registration in the United States of America and on proposed use in Canada.

[3] The Applicant informed the Registrar at the examination stage that the Mark translates into English as “to move with great speed”. However no information has been provided on the origin of the word “balega”.

[4] The application was advertised on May 30, 2007 in the *Trade-marks Journal* for opposition purposes.

[5] Balenciaga (the Opponent) filed a statement of opposition on July 26, 2007. The Applicant filed a counter statement on October 22, 2007 in which it denied all grounds of opposition listed below. I shall ignore any argumentative comments contained in the counter statement, and without limiting the generality of the foregoing, including paragraph 11 thereof.

[6] The Opponent filed as its evidence the affidavits of Ms. Zeina Waked and Isabelle Guichot as well as certified copies of registrations TMA220,390 and UCA32422 for the trade-mark BALENCIAGA while the Applicant filed the affidavit of Chris Bevin. There was no cross-examination and no reply evidence was filed.

[7] Both parties filed written arguments and were represented at an oral hearing.

The Grounds of Opposition

[8] The grounds of opposition can be summarized as follow:

1. The application does not comply with the provisions of s. 30(a) of the *Trade-marks Act*, R.C.S. 1985, c. T-13 (the Act) in that the description of the following wares are not in ordinary commercial terms: athletic apparel, namely, sports performance underwear;
2. The application does not comply with the provisions of s. 30(e) of the Act in that the Applicant did not have the intention to use the Mark in association with all of the Wares;
3. The application does not comply with the provisions of s. 30(d) of the Act in that the Mark was not in use by the Applicant in the United States of America in association with all the Wares at the filing date of the present application;
4. The Mark is not registrable pursuant to s. 12(1)(d) of the Act because it is confusing with the Opponent’s previously registered trade-marks

BALENCIAGA, registration number UCA32,422 and BALENCIAGA, registration number TMA220,390;

5. The Applicant is not the person entitled to registration of the Mark pursuant to s. 16(2) (a) and (c) and s. 16(3)(a) and (c) of the Act because at all material times, the Mark was confusing with the Opponent's previously used trade-mark and trade-name BALENCIAGA since 1938 in association with women's clothing, sports clothing, hats, gloves, lingerie and perfume; since 1946 in association with perfume, eau de toilette, cologne, perfume lotion, talc and bath salts; and since 1975 in association with sunglasses, eyewear, jewellery, cane, umbrella, luggage, bags, wallet and suitcases;
6. The Mark is not distinctive of the Applicant's Wares, nor is it adapted to distinguish the Applicant's Wares from the wares and the business of the Opponent because of the confusion that it creates with the Opponent's trade-mark and trade-name.

Legal Onus and Burden of Proof in Trade-marks Opposition Proceedings

[9] The legal onus is upon the Applicant to show that its application complies with the provisions of the Act, but there is however an initial evidential 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. Once this initial burden is met, the Applicant has to prove, on a balance of probabilities, that the particular grounds of opposition should not prevent the registration of the Mark [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.* (1984), 3 C.P.R. (3d) 325; *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 and *Wrangler Apparel Corp. v. The Timberland Company* [2005] F.C. 722].

Revised Application Filed Subsequent to the Oral Hearing

[10] During the oral hearing the Applicant mentioned that it would be prepared to file a revised application to delete from the Wares "sports performance underwear", if I were to conclude in favour of the Opponent on its first ground of opposition based on s. 30(a) of the Act. I pointed out to the Applicant that I did not have before me a formal request to amend its application. The Applicant did not seek at the oral hearing permission to amend its application.

[11] On November 3, 2010 the Registrar received from the Applicant a revised application wherein the list of wares had been amended to delete "sports performance underwear" and the

reference to the Applicant's corresponding United States trademark registration No. 3,058,183 had been removed.

[12] A revised application can be filed at any time even after advertisement as long as the modifications do not fall within one of the situations prohibited in rules 31 and 32 of the *Trade-marks Regulations*, SOR/2007-91, s. 1. The revised application does not offend either of those rules. Thus the revised application has been made of record. Consequently the first and third grounds of opposition are now moot.

Ground of Opposition Based on s. 30(e) of the Act

[13] The Opponent alleges in its second ground of opposition, that the Applicant did not have the intention to use the Mark in association with all of the Wares. To support such contention, the Opponent refers to Ms. Waked's affidavit. She did a search on the Internet and filed extracts of a website located at www.balegasports.com. I will assume that it is the Applicant's website, located in the United States, as Mr. Bevin the Applicant's General Manager, does refer to the same website in his affidavit.

[14] All of the website's extracts filed by Ms. Waked refer to socks and baseball caps. Therefore it is the Opponent's contention that the Applicant did not have the intention, at the filing date of the application, to use the Mark in Canada in association with wares other than socks and baseball caps. The Opponent is relying on the Registrar's decision in *Tune Masters v. Mr. P's Mastertune Ignition Services Ltd.* (1986)10 C.P.R. (3d) 84, which stands for the proposition that when such ground of opposition is raised the Opponent's evidential burden is lighter than under the other grounds of opposition as the evidence is mainly to the Applicant's knowledge. The Opponent may succeed under this ground of opposition if the Applicant's evidence is clearly inconsistent with the statements made in the application [see *York Barbell Holdings Ltd. v. ICON Health & Fitness, Inc.* (2001), 13 C.P.R. (4th) 156 (T.M.O.B.)].

[15] In this instance the application is based on proposed use in Canada. Therefore there is no obligation on the Applicant to use the Mark until the application obtains final allowance from the Registrar. The wares described in the application all fall in the general category of athletic apparel. Therefore the fact that the Applicant may only be using the Mark in the United States in

association with socks and baseball caps does not shift the burden on the Applicant to prove that it had the intention to use the Mark in Canada in association with the other wares of the same general class. Mr. Bevin, the Applicant's General Manager, does state in his affidavit that the Applicant has started to sell in Canada in August 2006 socks bearing the Mark. That does not mean that it had no intention to use the Mark in association with the other wares. There is no contradiction between the content of Mr. Bevin's affidavit and the statement made by the Applicant in its application that it intends to use the Mark in Canada in association with the Wares.

[16] Consequently I dismiss the second ground of opposition.

Registrability of the Mark under s. 12 (1)(d) of the Act

[17] The relevant date for the analysis of this ground of opposition is the date of the Registrar's decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 424 (F.C.A)].

[18] The Opponent is alleging that the Mark is not registrable pursuant to s. 12(1)(d) of the Act as it is confusing with its registered trade-marks listed above. The Opponent has met its initial onus by filing certificates of authenticity for registrations TMA220,390 and UCA32422 for the trade-mark BALENCIAGA. I used my discretion and checked the register. Both registrations are extant. The list of wares includes under the latter registration women's clothing and accessories, sports clothing, lingerie and perfume; while the former covers perfume, eau de toilette, eau de cologne, perfumed talc powder, bath salt, sunglasses, eyeglass frames, jewellery, canes, umbrellas, luggage, bags, wallets, suitcases and towels.

[19] I have to determine, on a balance of probabilities, if the Mark is likely to cause confusion with the Opponent's trade-mark BALENCIAGA. The test to determine this issue is set out in s. 6(2) of the Act and I must take into consideration all the relevant surrounding circumstances, including those listed under s. 6(5) of the Act: the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time the trade-marks have been in use; the nature of the wares, services, or business; the nature of the trade; and the degree of resemblance between the trade-marks in appearance, or sound or in the ideas suggested by them.

[20] Those criteria are not exhaustive and it is not necessary to give each one of them equal weight [see *Clorox Co. v. Sears Canada Inc.* (1992), 41 C.P.R. (3d) 483 (F.C.T.D.) and *Gainers Inc. v. Marchildon* (1996), 66 C.P.R. (3d) 308 (F.C.T.D.)]. I refer to the decision of the Supreme Court of Canada in *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 for a detailed analysis of those criteria.

[21] Ms. Guichot has been the Opponent's President. She explains that the Opponent's trade-mark BALENCIAGA is the name of a Spanish fashion designer who died in 1972. She states that he was known for his classical style and had as his clients the queens of Spain and Belgium.

[22] In its written argument the Opponent admits that its trade-mark has a medium degree of inherent distinctiveness. Such conclusion comes from the fact that it was the name of a person. However I have no evidence that the average Canadian consumer would associate the trade-mark BALENCIAGA with a surname of an individual deceased or alive.

[23] The Mark means "to move with great speed", but there is no evidence that anyone would have such knowledge. When used in association with the Wares, for those who may know the meaning of the Mark, it might be suggestive of the results that one may achieve while wearing those wares. The Mark is composed of a design element consisting of a stylized "E". Therefore it does have a certain degree of inherent distinctiveness of its own.

[24] The distinctiveness of a trade-mark may be enhanced through use or promotion in Canada. Ms. Guichot alleges that the trade-mark BALENCIAGA is used in Canada in association with articles of clothing, jewellery, bags, shoes, fragrance, and accessories such as sunglasses, wallets and belts. She provides the annual sales from 2003 to 2007 of the Opponent in Canada of products bearing the trade-mark BALENCIAGA but we have no breakdown per type of products. It could be that the bulk of those sales relates to jewellery or fragrances for instance, products that may have less relevancy when compared to the Wares. These annual sales vary from over \$600,000 to close to \$4 million.

[25] She filed samples of labels used in Canada over the years, some of them going back to 1949. The more recent labels (for the Fall/Winter 2007-2008, exhibit PM-4 to her affidavit) were attached to articles of clothing and jewellery. She alleges that the Opponent has a website and

filed extracts of it. However we have no information on the number of visits, if any, by Canadians over the years.

[26] From this evidence I conclude that the Opponent's trade-mark BALENCIAGA is known to some extent in Canada. I wish to state that I took cognizance of the Opponent's evidence about its worldwide sales and the registration of the trade-mark BALENCIAGA in other jurisdictions. In the absence of evidence of spill over advertising I do not consider such portion of the Opponent's evidence to be very useful in determining if the Opponent's trade-mark is known in Canada.

[27] Mr. Bevin states that the Applicant manufactures athletic apparel specifically geared towards runners and generally distributes and sells its specialty athletic apparel through independent stores that cater to runners. It has advertised and promoted the Mark to the running community for over 5 years (going back to December 2003 as his affidavit was executed on December 23, 2008), both in the United States and Canada. The Applicant's branded products are primarily sold through specialty stores, as opposed to general merchandisers, which focus on running and runners as its clientele. I note that Mr. Bevin has not filed any evidence of advertisement and promotion of the Applicant's Wares in Canada, except for what is described hereinafter.

[28] He filed extracts of the Applicant's website as Exhibit A to illustrate that the Applicant has sponsored several events featuring running and running organizations but there is no reference to Canadian events. He states that the Applicant started selling in Canada socks bearing the Mark on August 23, 2006. He provides a list of Canadian specialty retailers of running shoes and related equipment where those socks can be purchased. There is no information on the extent of those sales in Canada.

[29] From this evidence I conclude that the Opponent's trade-mark BALENCIAGA is more known in Canada than the Mark. Consequently the first factor under s. 6(5) favours the Opponent.

[30] As for the length of time the parties' trade-marks have been in use, as it appears from the summary of the evidence in the record described previously, this factor also favours the

Opponent. However I note that there has been no evidence of use of the trade-mark BALENCIAGA in association with the most pertinent wares covered by the Opponent's registration UCA32422, namely women's sport clothing. Consequently, despite the fact that this factor favours the Opponent, it is not that significant.

[31] In general, when considering the nature of the wares and trade of the parties, it is the statement of the wares in the application and registration that governs. [See *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.)] Evidence of the actual trades of the parties could be useful in reading the statement of wares with a view of determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. [See *McDonald's Corp. v. Coffee Hut Stores Ltd.* (1996), 68 C.P.R. (3d) 168 (F.C.A.)].

[32] The Applicant's Wares covers athletic apparel while the Opponent's registration UCA32422 specifically refers to women's sporting clothing. Therefore there is definitively an overlap for those wares and their channels of trade.

[33] The degree of resemblance between two trade-marks is one of the most important criteria when assessing the likelihood of confusion between them [see *Beverley Bedding & Upholstery Co. v. Regal Bedding & Upholstering Ltd.* (1980), 47 C.P.R. (2d) 145]. One must look at the marks in their totality and should not dissect each one of them into their component parts.

[34] The Mark is composed of 3 syllables and a design feature while the Opponent's trade-mark comprises 5 syllables. In order to conclude that the Mark resembles its trade-mark, the Opponent dissected the parties' trade-marks into its components. Thus it alleges that the first four letters of the marks are the same, namely BALE while the last portion (GA) is identical. Moreover the Opponent is of the opinion that the marks are phonetically similar because the first four letters are identical. However Mr. Bevin, in his affidavit is suggesting that the Mark is pronounced "buh-LAY-guh" but he is not an expert in linguistics.

[35] Even though the first four letters of the marks are identical, the second syllable of each word is different. Moreover, the Mark has only 3 syllables with a unique design in the middle of the Mark. Also, the Opponent's trade-mark has 2 additional syllables to distinguish it from the

Mark. Finally, one must look carefully at the Mark to realize that the design element corresponds to the letter E and thus conclude that the word portion of the Mark is BALEGA.

[36] The Opponent argues that the case law is clear that when an applicant is incorporating in its trade-mark, the entirety of the mark of another trader the chances of likelihood of confusion are higher. However in our case the Mark does not include the Opponent's trade-mark.

[37] I conclude that there is very little resemblance if any between the marks in issue, in sound, visually and in the ideas suggested by them. This factor clearly favours the Applicant.

[38] As an additional surrounding circumstance the Applicant has filed evidence that it obtained registration of the Mark in the United States while Ms. Guichot, in her affidavit, states that the Opponent registered the trade-mark BALENCIAGA in that country as well; thus there is co-existence of the parties' trade-marks on the register in the United States. However, co-existence on foreign trade-mark registers is to be accorded little weight [see *Quantum Instruments, Inc. v. Elinca S.A.*, 60 C.P.R. (3d) 264 at 268-9 (T.M.O.B.)]. There may be other factors that justify the co-registration of marks in a foreign jurisdiction that do not exist in Canada (e.g. differences in the law or a different state of the register).

[39] The test for confusion can be described in the following words: would the average consumer, having an imperfect recollection of the Opponent's trade-mark, facing Wares bearing the Mark conclude that those Wares have the same origin than those bearing the Opponent's trade-mark? My answer to this question is negative for the following reasons.

[40] The analysis of the relevant criteria leads me to conclude that the Applicant has met its legal onus to prove, on a balance of probabilities, that there is no likelihood of confusion between the Mark, when used in association with the Wares, and the Opponent's registered trade-mark BALENCIAGA. There is little if any similarity phonetically, visually and in the ideas suggested by the marks in issue. This factor outweighs the other factors.

[41] Consequently I dismiss the fourth ground of opposition.

Entitlement Ground of Opposition

[42] The ground of opposition based on s. 16(2) of the Act can be summarily disposed as the revised application is no longer based on the registration obtained in the United States.

[43] The relevant date for the analysis of this ground of opposition is the filing date of the application (July 13, 2006) [see s. 16(3) of the Act]. The Opponent must show prior use of its trade-mark BALENCIAGA and that such use was not abandoned at the advertisement date of the present application (May 30, 2007) [see s. 16(5) of the Act].

[44] The Opponent has met its initial evidential burden with respect to s. 16(3)(a) of the Act as it appears from the previous description of the Opponent's evidence which shows prior use of the trade-mark BALENCIAGA in Canada. Therefore I must determine if there was a likelihood of confusion between the parties' respective trade-marks at the relevant date.

[45] The analysis of the relevant surrounding circumstances listed under s. 6(5) of the Act would generate the same results as those described under the previous ground of opposition, except for the analysis of the nature of the wares and their channels of trade. Such factors would, under this ground of opposition, favour the Applicant as there is no evidence of use of the Mark in association with women's sports clothing that would fall in the same general category of wares of those covered by the present application. Moreover the actual channels of trade used by the parties are completely different. The Applicant sells its Wares through specialty stores focusing on running and runners as opposed to general merchandisers. A list of some of these stores has been provided by Mr. Bevin. Therefore the potential customers are runners and athletes. The Opponent's wares are luxury goods. Reference is made to extracts of the Opponent's website filed as exhibit PM-5 to Ms. Guichot's affidavit. In fact on those extracts we see famous artists such as Mick Jagger and Charlotte Gainsbourg wearing the Opponent's designed clothing.

[46] The Opponent is also relying under this ground of opposition on prior use of its trade-name BALENCIAGA. There is no evidence in the record of such prior use in Canada.

[47] Therefore I dismiss in its entirety the fifth ground of opposition.

Distinctiveness of the Mark

[48] It is generally accepted that the relevant date to determine if a trade-mark is distinctive is the filing date of the statement of opposition (July 27, 2007) [see *Andres Wines Ltd. and E & J Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)].

[49] To meet its initial onus the Opponent had to prove that its trade-mark or trade-name BALENCIAGA had become sufficiently known in Canada at that relevant date to negate any distinctiveness of the Mark [*Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58]. Once this initial burden is met, the Applicant has a legal onus to show, on a balance of probabilities, that the Mark was adapted to distinguish or was actually distinguishing the Wares from the Opponent's wares throughout Canada at the relevant date [see *Muffin Houses Incorporated v. The Muffin House Bakery Ltd.* (1985), 4 C.P.R. (3d) 272].

[50] The Opponent's evidence described under the registrability ground of opposition establishes that the Opponent's trade-mark BALENCIAGA was sufficiently known in Canada at the relevant date.

[51] This ground of opposition essentially turns on the issue of the likelihood of confusion between the parties' trade-marks as of the filing date of the statement of opposition. The difference of the relevant dates with the registrability ground of opposition is not a determining factor in this case as most of the evidence filed relates to the use of the Opponent's trade-mark BALENCIAGA prior to the filing date of the statement of opposition.

[52] My analysis of the relevant circumstances at the filing date of the statement of opposition would generate the same results as those obtained under the entitlement ground of opposition. Under these circumstances I find that the Applicant's Mark did distinguish the Applicant's Wares and was apt to distinguish them from those of the Opponent sold in association with the trade-mark BALENCIAGA at the relevant date. Thus, the last ground of opposition is also dismissed.

Disposition

[53] Pursuant to the authority delegated to me under s. 63(3) of the Act, I reject the opposition pursuant to s. 38(8) of the Act.

Jean Carrière
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office