

**IN THE MATTER OF AN OPPOSITION
by Shirmax Retail Ltd. / Les Détaillants
Shirmax Ltée to application No. 766,184
for the trade-mark AE filed by American
Eagle Outfitters, Inc. and subsequently
assigned to Retail Royalty Company**

On October 12, 1994, American Eagle Outfitters, Inc. filed an application to register the trade-mark AE for “retail store services in the field of clothing, footwear and clothing accessories” based on proposed use in Canada. The application was advertised for opposition purposes on April 5, 1995. An assignment of the application to Retail Royalty Company was recorded on June 21, 1996. On June 8, 1998, an amended application was accepted which included a disclaimer to forms of the trade-mark in which one of the two letters is in uppercase and the other letter is in lowercase. The amended application also includes an undertaking that the applicant will only use the trade-mark in the non-disclaimed forms.

The opponent, Shirmax Retail Ltd. / Les Détaillants Shirmax Ltée, filed a statement of opposition on May 10, 1995, a copy of which was forwarded to the applicant on July 18, 1995. The first ground of opposition is that the applicant’s application does not comply with the provisions of Section 30(a) of the Trade-marks Act because the application does not contain a statement in ordinary commercial terms of the specific services in association with which the applied for mark is proposed to be used.

The second ground of opposition is that the applicant’s application does not comply with the provisions of Section 30(e) of the Act because the application does not contain a statement that the applicant intends to use the applied for mark. The third ground is that the application does not comply with the provisions of Section 30(i) of the Act. The opponent alleged that the applicant could not have been satisfied that it was entitled to use the applied for mark because the applicant was aware of the opponent’s trade-marks and the opponent’s use of those marks.

The fourth ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Act because it is confusing with three registered trade-marks owned by the opponent. The first trade-mark is A/E SPORT & CO. registered under No. 430,489 for the following wares:

clothing namely: coats, jackets, suits, dresses, skirts, pants, jeans, shorts, shirts, tops, blouses, T-shirts, sweaters, body suits, cardigans, underwear, sleepwear, rompers, swimwear, caps, bags, scarves.

The second trade-mark is AE SPORT & Design (illustrated below) registered under No.

380,847 for the following wares:

women's and girls' apparel, namely: blouses, T-shirts, sweaters, jackets, pants, skirts, dresses, shorts, rompers, and swimwear.



The third trade-mark is ADDITION-ELLE & Design (illustrated below) registered under No.

260,738 for the following wares:

girls' and ladies' clothing namely: coats, jackets, suits, dresses, skirts, pants, jeans, shorts, shirts, tops, blouses, T-shirts, sweaters, body suits, cardigans, underwear, hosiery, sleepwear, loungewear, caps, hats, bags, belts, scarves, gloves and ties, excluding haute couture articles

and for the following services:

operation of a [sic] women's wear boutiques for sale of girls' and ladies' clothing excluding haute couture articles.



The fifth ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(3)(a) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the trade-mark AE and the three registered marks noted above previously used in Canada by the opponent with clothing wares, retail clothing store services and the operation of retail clothing stores. The sixth ground is that the applied for trade-mark is not distinctive because it is confusing with the opponent's marks.

The applicant filed and served a counter statement. As its evidence, the opponent submitted an affidavit of its Executive Vice-President Finance and Administration, Jacques Landry. The applicant did not submit any evidence. Both parties filed a written argument and an oral hearing was conducted at which only the opponent was represented.

As for the first ground of opposition, there was an initial evidential burden on the opponent to adduce some evidence to show that the applicant's statement of services is not in ordinary commercial terms. The opponent failed to file evidence on point. Thus, the first ground is unsuccessful.

As for the second ground of opposition, the opponent has only alleged that the applicant's application does not contain the statement required by Section 30(e) of the Act. The application, however, does contain that statement. Thus, the second ground is also unsuccessful.

As for the third ground of opposition, it does not raise a proper ground since the opponent did not allege that its mark was confusing with the applicant's mark or that the applicant was aware of such confusion. Thus, the third ground is also unsuccessful. If I am wrong in this conclusion, then the success of the first ground is contingent on a finding of confusion between the marks at issue.

As for the fourth ground of opposition, the material time for considering the circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in Conde Nast Publications Inc. v. Canadian Federation of Independent Grocers (1991), 37 C.P.R.(3d) 538 at 541-542 (T.M.O.B.). The onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Furthermore, 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 forth in Section 6(5) of the Act.

As for Section 6(5)(a) of the Act, the applicant's trade-mark AE is inherently distinctive since it has no descriptive or suggestive connotation when used in association with the applied for services. However, the mark is inherently weak since it is comprised of two letters or initials which appear to be the first letters of the first two words in the original applicant's name. There is no evidence from the applicant. Thus, I must conclude that the applicant's mark has not become known at all in Canada.

The opponent's registered trade-mark A/E SPORT & CO. is inherently distinctive although it, too, is not an inherently strong mark since it is comprised of the letters AE and the non-distinctive elements SPORT and CO. In his affidavit, Mr. Landry states that the opponent is in the business of operating chains of clothing stores. One of those chains comprises 26 stores operating under the trade-mark A/E SPORT & CO. in most parts of Canada. According to Mr. Landry, sales through those stores exceeded \$25 million for the period 1993 to 1995. He also states that the opponent has effected "tens of thousands of dollars of sales" of clothing and accessories in association with that mark and the mark AE & Design. Thus, the opponent's mark has become fairly well known in association with its retail stores but not as well known for the specific clothing items set out in the trade-mark registration.

The opponent's registered mark AE & Design is also inherently distinctive although it is not inherently strong since it is dominated by the letters AE. The Landry affidavit evidences only minor sales of clothing wares in association with the mark AE & Design. Thus, I cannot ascribe any reputation of note for that mark in Canada.

The opponent's registered mark ADDITION-ELLE & Design is inherently distinctive although it is somewhat suggestive of clothing wares and services directed to larger women. In his affidavit, Mr. Landry states that one of the opponent's chains of stores operates under the trade-mark ADDITION-ELLE, there being 49 stores in that chain. However, the only evidence of use of the registered mark ADDITION-ELLE & Design appears to be on invoices used in the opponent's A/E SPORT & CO. stores. Thus, the opponent has only evidenced a limited reputation for the registered mark ADDITION-ELLE & Design.

The length of time the marks at issue have been in use favors the opponent respecting each of its three registered marks. As for Sections 6(5)(c) and 6(5)(d) of the Act, the services listed in registration No. 260,738 are essentially the same as the applicant's services. As for the wares listed in the three registrations, they are of the type that would, or could, be sold through the applicant's proposed stores. Furthermore, there is a direct overlap in the trades of the parties respecting all three registered marks since the opponent operates the same type of stores that the applicant proposes to open.

As for Section 6(5)(e) of the Act, I consider that there is a fairly high degree of resemblance between the applicant's mark AE and the opponent's registered marks A/E SPORT & CO. and AE & Design since those two marks are dominated by the letters AE. I consider that there is little or no resemblance between the applicant's mark and the opponent's registered mark ADDITION-ELLE & Design since that mark is dominated by the word ADDITION-ELLE and it is not readily apparent that the design component is comprised of the letters AE.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the resemblance between the wares, services, trades and marks of the parties, I find that the applicant's mark is confusing with the opponent's registered marks A/E SPORT & CO. and AE & Design. In view of the absence of any resemblance between the applicant's mark and the registered mark ADDITION-ELLE & Design, I find that those two marks are not confusing. Thus, the fourth ground of opposition is successful respecting the opponent's first two registered marks and is unsuccessful respecting its third mark.

As for the fifth ground of opposition, the opponent has met its initial burdens by evidencing use of its trade-mark AE and its three registered marks with clothing wares or services prior to the applicant's filing date and showing non-abandonment of those marks as of the applicant's advertisement date. In this regard, I consider use of the opponent's registered mark AE & Design and the design versions of its trade-mark A/E SPORT & CO. (see Exhibits F to J of the Landry affidavit) to also constitute use of the opponent's trade-mark

AE ‘per se.’ The ground therefore remains to be decided on the issue of confusion between the marks as of the applicant’s filing date. My conclusions respecting the second ground are, for the most part, also applicable here. Thus, I find that the applicant’s mark was confusing as of the material time with the opponent’s marks AE, A/E SPORT & CO. and AE & Design but was not confusing with its mark ADDITION-ELLE & Design.

As for the sixth ground of opposition, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its services from those of others throughout Canada: see Muffin Houses Incorporated v. The Muffin House Bakery Ltd. (1985), 4 C.P.R.(3d) 272 (T.M.O.B.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the opposition (i.e. - May 10, 1995): see Re Andres Wines Ltd. and E. & J. Gallo Winery (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.) and Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.). Finally, there is an evidential burden on the opponent to prove the allegations of fact in support of its ground of non-distinctiveness.

The sixth ground essentially turns on the issue of confusion between the applicant’s mark and the opponent’s trade-marks. Given my conclusions above respecting the issue of confusion respecting the fourth and fifth grounds, it also follows that the applicant’s mark is confusing with the opponent’s trade-mark AE and its first two registered marks as of the filing of the present opposition. Thus, the sixth ground is also successful.

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I refuse the applicant’s application.

DATED AT HULL, QUEBEC, THIS 29th DAY OF JUNE, 1998.

**David J. Martin,
Member,
Trade Marks Opposition Board.**