

**IN THE MATTER OF AN OPPOSITION
by Nordstrom, Inc. to application No.
692,979 for the trade-mark GALLERY
filed by Fen-Nelli Fashions Inc.**

On November 4, 1991, the applicant, Fen-Nelli Fashions Inc., filed an application to register the trade-mark GALLERY based on proposed use in Canada with the following wares:

ladies', misses', juniors, and girls' dresses, lingerie, pant dresses, pant suits, dusters, housecoats, blouses, panties, slippers, underwear, shirts, skirts, pyjamas, lounging pyjamas, beach pyjamas, coats, raincoats, car coats, hats, sweaters, hose, socks, stockings, bathing suits, slacks, suits, slack suits, playsuits, pinafores, jackets, vests, jodhpurs, shorts, jumpers, pedal pushers and culottes, belts, buttons, buckles, braids, laces and slide fasteners.

The application was advertised for opposition purposes on July 13, 1994.

The opponent, Nordstrom, Inc., filed a statement of opposition on September 13, 1994, a copy of which was forwarded to the applicant on December 13, 1994. The first ground of opposition is that the applicant's application does not comply with the provisions of Section 30(i) of the Trade-marks Act because the applicant could not have been satisfied that it was entitled to use the applied for trade-mark in Canada. The second ground 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 GALLERY previously made known or used in Canada by the opponent in association with:

retail clothing store services in the area of women's wearing apparel, catalogue merchandising services in the area of women's wearing apparel, and women's wearing apparel.

The third ground of opposition is that the applicant's trade-mark is not distinctive in view of the opponent's activities in association with its trade-mark GALLERY.

The applicant filed and served a counter statement. As its evidence, the opponent submitted the affidavits of Cheryl Ann Green, David Andrew Lew, Karen E. Purpur and two affidavits of Linda Victoria Thibeault. As its evidence, the applicant submitted an affidavit of its President, Jeffrey Lang. As evidence in reply, the opponent submitted the affidavits of Lily Marie Anderson, Carmen Roberts and Thora Thortenson and a further affidavit of Karen

E. Purpur. Both parties filed a written argument and an oral hearing was conducted at which both parties were represented.

The first ground of opposition simply states that the applicant could not have been satisfied that it was the person entitled to registration of the applied for trade-mark. The opponent did not include any allegations of fact to support that assertion. Thus, the first ground is not in compliance with Section 38(3)(a) of the Act and is therefore unsuccessful.

At the oral hearing, the opponent's agent withdrew the second ground of opposition insofar as it was based on prior making known of the opponent's mark and on prior use of that mark with women's wearing apparel. This was not surprising since the opponent failed to show that its mark had become well known within the meaning of Section 5 of the Act prior to the applicant's filing date and, as conceded by the opponent's agent, failed to evidence the delivery of any GALLERY goods to Canada. The second ground therefore remains to be decided on the basis of alleged prior use of the opponent's trade-mark GALLERY for services.

The opponent's evidence establishes that the opponent operates a chain of department stores in the United States under the trade-mark NORDSTROM and that many of those stores have a boutique or department operating under the name GALLERY. In her first affidavit, Ms. Purpur identifies herself as the Corporate Secretary of the opponent and states that the opponent's stores specialize in clothing and accessories and that the GALLERY department present in most of those stores sells high fashion women's apparel.

According to Ms. Purpur, sales of clothing from the GALLERY boutiques to Canadian residents holding NORDSTROM credit cards in the eighteen month period preceding the date of her affidavit (i.e. - August 22, 1995) totalled about \$65,000 (U.S.). In her second affidavit, Ms. Purpur states that sales from the GALLERY boutiques have been made to Canadian residents for many years. Since the opponent does not regularly distribute catalogues and apparently does not have a mail order service available in Canada (see paragraph 10 of the first Purpur affidavit), it appears that any sales to Canadian residents would have been made

in one or more of the opponent's stores located in the United States. The reply evidence submitted by the opponent seems to confirm this since two of the affiants are Canadian residents who indicate that they shop at a NORDSTROM store in Seattle, Washington and a third is a salesperson in that store who states that the store has a number of Canadian customers who travel to Seattle. Furthermore, the opponent has failed to establish that any sales to Canadians were of goods bearing the trade-mark GALLERY since that mark is only applied to some of the wares sold through the GALLERY boutiques (see paragraph 4 of the first Purpur affidavit).

In her first affidavit, Ms. Purpur evidences a number of American newspaper and magazine advertisements (see paragraph 7 and Exhibit C). However, there is no admissible evidence to show that any of those ads had any circulation in Canada. As for the American newspapers, it is unlikely that they had any but a minimal circulation in this country. In any event, the ads in question highlight the trade-mark NORDSTROM with only minor references to the GALLERY department.

As for the opponent's services, the opponent does not operate any retail outlets in Canada. The opponent contends, however, that it has performed retail store services in Canada in association with the trade-mark GALLERY because it offers credit to Canadian customers, sends catalogues to Canadian customers and responds to mail and telephone orders from Canada. In her first affidavit, Ms. Purpur states that there were 7,828 NORDSTROM credit card holders in Canada as of the date of her affidavit. However, it is not apparent how many there were prior to the applicant's filing date. More importantly, the opponent's credit card service is performed in association with the trade-mark NORDSTROM, not the trade-mark GALLERY.

As for catalogues, it is apparent from a review of paragraph 10 of the first Purpur affidavit that the opponent does not regularly mail catalogues to Canadian customers and does not have an established mail order business in Canada. From a review of the Anderson affidavit, it appears that a small number of Canadians receive NORDSTROM catalogues and

flyers based on the decisions of individual salespersons. However, there is no evidence that the opponent responds to any mail or telephone orders placed from Canada. Even if such were the case, a review of the opponent's catalogues suggests that such services would be performed in association with the trade-mark NORDSTROM, not the trade-mark GALLERY which occasionally appears in the opponent's catalogues simply to designate a department location for particular wares. Thus, contrary to the opponent's contention, the present case is distinguishable from the situation in Saks & Co. v. Registrar of Trade Marks (1989), 24 C.P.R.(3d) 49 at 60-61 (F.C.T.D.) where the trade-mark owner had evidenced an established mail order operation for Canadian customers who could take advantage of that service from Canada. The only transactions evidenced in the present case take place in NORDSTROM stores in the United States. Thus, the opponent has failed to evidence prior use of its mark for retail store services or catalogue merchandising services and the second ground of opposition is unsuccessful.

As for the opponent's third 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 wares and 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. - September 13, 1994): 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 supporting its ground of non-distinctiveness.

Unlike the case with an allegation of prior making known, it is not necessary for the opponent to show that the mark GALLERY is well known in Canada or that it has been made known solely by the restricted means set forth in Section 5 of the Act: see Motel 6, Inc. v. No. 6 Motel Ltd. (1981), 56 C.P.R.(2d) 44 at 55 (F.C.T.D.). It is only necessary for the opponent to show that the mark GALLERY has become known sufficiently to negate the distinctiveness of the applicant's proposed mark.

As previously noted, Ms. Purpur stated in her first affidavit that for the eighteen month period preceding August 22, 1995 226 Canadian residents holding a NORDSTROM credit card made purchases totalling about \$65,000 (U.S.) from the opponent's GALLERY boutiques. Since the material time is the filing of the opposition, it is difficult to know what percentage of those sales occurred prior to September 13, 1994. Furthermore, since any such sales were presumably made in one of the opponent's stores, it is difficult to know if they involved any GALLERY branded goods or, at the very least, that the Canadian shoppers had been made aware of the trade-mark GALLERY as the name of the particular department. At best, this evidence points to knowledge of the opponent's mark by only a handful of Canadians.

The opponent also relied on Ms. Purpur's statement that there were 7,828 NORDSTROM credit card holders in Canada as of August 22, 1995. Although the opponent did not evidence how many Canadian card holders there were as of the material time (i.e. - September 13, 1994), presumably there were a significant number. However, it does not necessarily follow that all or most of those Canadian card holders were aware of the opponent's trade-mark GALLERY at that time. Given that less than 3% of the opponent's Canadian credit card holders made purchases from the GALLERY department of NORDSTROM stores for the eighteen month period ending August 22, 1995, it is difficult to conclude that a significant percentage of such card holders made such a purchase from a GALLERY department within a few years of the material time. Furthermore, it is not readily apparent that any Canadian card holders that did make such a purchase were made aware of the trade-mark GALLERY.

The opponent also contended that it is reasonable to infer that there were a large number of Canadians who shopped in NORDSTROM stores using cash or non-NORDSTROM credit cards. In the absence of reliable evidence on point, I am not prepared to make that inference. In any event, as before, it would not necessarily follow that any such Canadians would have been made aware of the opponent's trade-mark GALLERY or, if so, that they would have retained a lasting impression of that mark given its manner of use.

As also discussed, there is no reliable evidence to establish that any of the advertisements relied on by the opponent had any spillover into Canada. Even if there was some minor spillover, those ads feature the trade-mark NORDSTROM with only minor references to the mark GALLERY. Thus, it is unlikely that the opponent's advertising activities have had any measurable effect in Canada.

The opponent has also relied on the Lew affidavit which evidences a number of articles that appeared in Women's Wear Daily and one that appeared in The Seattle Times which included a reference to NORDSTROM and the GALLERY department of its stores. Again, there is no reliable evidence to establish any Canadian circulation for those publications. Even if the opponent had evidenced some minor Canadian circulation for those publications, the references to the word GALLERY in those articles were so brief and minor that they would not likely have made any lasting impression on the few Canadians who would have seen them.

The opponent's reply evidence does little to bolster its case. Ms. Anderson states in her affidavit that she sends NORDSTROM notices and catalogues to eight Canadian customers. Mss. Roberts and Thortenson state in their affidavits that they live in British Columbia and have shopped at the GALLERY department of the NORDSTROM's store in Seattle for a number of years. The most that can be concluded from this evidence is that perhaps ten Canadians were aware that there was a GALLERY department in a NORDSTROM's store at the material time.

The opponent has also relied on state of the register evidence introduced by the first Thibeault affidavit. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace: see the opposition decision in Ports International Ltd. v. Dunlop Ltd. (1992), 41 C.P.R.(3d) 432 and the decision in Del Monte Corporation v. Welch Foods Inc. (1992), 44 C.P.R.(3d) 205 (F.C.T.D.). Also of note is the decision in 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 state of the marketplace

can only be drawn from state of the register evidence where large numbers of relevant registrations are located.

Ms. Thibeault conducted a search with a view to locating applications and registrations for trade-marks comprising or including the word GALLERY or GALERIE for clothing. A review of the Thibeault search results reveals, at most, nine relevant registrations owned by six different owners. The only registration located for the word GALLERY 'per se' is No. 242,526 which covers shoes rather than clothing. Nine registrations owned by six different owners is insufficient evidence to allow me to infer that any of those marks were in active and substantial use at the material time. Even if I could assume that a few of those marks were in active use, that would only provide limited support for the conclusion that other traders used the word GALLERY as a component of their trade-marks for clothing. Such a conclusion might suggest that the applicant's mark GALLERY is not a strong mark but it would not establish that its mark cannot distinguish the applicant's clothing wares from those of others. On the contrary, it would tend to suggest that small differences between such marks would be sufficient to distinguish them in the marketplace.

In his affidavit, Mr. Lang states that the applicant commenced using its mark after it filed the present application. As of the date of Mr. Lang's affidavit (i.e. - September 14, 1995), the applicant had effected sales of GALLERY wares in excess of \$1 million. From a review of the invoices appended as Exhibit 2 to the Lang affidavit, it would appear that at least a portion of those sales were made prior to the material time. Thus, the applicant has evidenced at least a measure of acquired distinctiveness for its mark.

In view of the above, I find that the opponent has not met its evidential burden. At most, it has established that a small number of Canadians may have been aware that the opponent used the mark GALLERY to identify one of the departments in its stores in the United States as of the filing of the opposition. Whatever reputation the opponent had for that mark as of the material time is barely measurable and would not have had any effect on the distinctiveness of the applicant's mark. As submitted by the applicant's agent, the evidence

may point to a reputation in Canada for the opponent's trade-mark NORDSTROM but not for the mark GALLERY which is primarily the name of one department of the opponent's stores. Thus, the third ground of opposition is also unsuccessful.

Pursuant to the authority delegated to me under Section 63(3) of the Act, I reject the opponent's opposition.

DATED AT HULL, QUEBEC, THIS 4th DAY OF NOVEMBER, 1997.

David J. Martin
Member
Trade Marks Opposition Board.